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INTO THE

NATURE AND CAUSES

OF THE

WEALTH OF NATIONS.

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BY

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INQUIRY

INTO THE

NATURE AND CAUSES

OF THE

WEALTH OF NATIONS.

BOOK V.

CHAP. I.

PART. III.

Of the Expenſe of public Works and public Inſtitutions.

THE third and laſt duty of the ſovereign or commonwealth is that of erecting and maintaining thoſe public inſtitutions and thoſe public works, which, though they may be in the higheſt degree advantageous to a great ſociety, are, however, of ſuch a nature, that the profit could never repay the expenſe to any individual or ſmall number of individuals, and which it therefore cannot be expected that any individual or ſmall

number of individuals ſhould erect or maintain. The performance of this duty requires too very different degrees of expenſe in the different periods of ſociety.

After the public inſtitutions and public works neceſſary for the defence of the ſociety, and for the adminiſtration of juſtice, both of which have already been mentioned, the other works and inſtitutions of this kind are chiefly thoſe for facilitating the commerce of the ſociety, and thoſe for promoting the inſtruction of the people. The inſtitutions for inſtruction are of two kinds; thoſe for the education of the youth, and thoſe for the inſtruction of people of all ages. The conſideration of the manner in which the expenſe of thoſe different ſorts of public works and inſtitutions may be moſt properly defrayed, will divide this third part of the preſent chapter into three different articles.

ARTICLE I.

Of the public Works and Inſtitutions for facilitating the Commerce of the Society.

And, firſt, of thoſe which are neceſſary for facilitating Commerce in general.

THAT the erection and maintenance of the public works which facilitate the commerce of any country, ſuch as good roads, bridges, navigable canals, harbours, &c. muſt require very

different degrees of expenſe in the different periods of ſociety, is evident without any proof. The expenſe of making and maintaining the public roads of any country muſt evidently increaſe with the annual produce of the land and labor of that country, or with the quantity and weight of the goods which it becomes neceſſary to fetch and carry upon thoſe roads. The ſtrength of a bridge muſt be ſuited to the number and weight of the carriages, which are likely to paſs over it. The depth and the ſupply of water for a navigable canal muſt be proportioned to the number and tunnage of the lighters, which are likely to carry goods upon it; the extent of a harbour to the number of the ſhipping which are likely to take ſhelter in it.

It does not ſeem neceſſary that the expenſe of thoſe public works ſhould be defrayed from that public revenue, as it is commonly called, of which the collection and application is in moſt countries aſſigned to the executive power. The greater part of ſuch public works may eaſily be ſo managed, as to afford a particular revenue ſufficient for defraying their own expenſe, without bringing any burden upon the general revenue of the ſociety.

A highway, a bridge, a navigable canal, for example, may in moſt caſes be both made and maintained by a ſmall toll upon the carriages which make uſe of them: a harbour, by a moderate port-duty upon the tunnage of the ſhipping which load or unload in it. The coinage,

another inſtitution for facilitating commerce, in many countries, not only defrays its own expenſe, but affords a ſmall revenue or ſeignorage to the ſovereign. The poſt-office, another inſtitution for the ſame purpoſe, over and above defraying its own expenſe, affords in almoſt all countries a very conſiderable revenue to the ſovereign.

When the carriages which paſs over a highway or a bridge, and the lighters which ſail upon a navigable canal, pay toll in proportion to their weight or their tunnage, they pay for the maintenance of thoſe public works exactly in proportion to the wear and tear which they occaſion of them. It ſeems ſcarce poſſible to invent a more equitable way of maintaining ſuch works. This tax or toll too, though it is advanced by the carrier, is finally paid by the conſumer, to whom it muſt always be charged in the price of the goods. As the expenſe of carriage, however, is very much reduced by means of ſuch public works, the goods, notwithſtanding the toll, come cheaper to the conſumer than they could otherwiſe have done; their price not being ſo much raiſed by the toll, as it is lowered by the cheapneſs of the carriage. The perſon who finally pays this tax, therefore, gains by the application, more than he loſes by the payment of it. His payment is exactly in proportion to his gain. It is in reality no more than a part of that gain which he is obliged to give up in order to get the reſt. It ſeems impoſſible to imagine a more equitable method of raiſing a tax.

When the toll upon carriages of luxury, upon coaches, poſt-chaiſes, &c. is made ſomewhat higher in proportion to their weight, than upon carriages of neceſſary uſe, ſuch as carts, waggons, &c. the indolence and vanity of the rich is made to contribute in a very eaſy manner to the relief of the poor, by rendering cheaper the tranſportation of heavy goods to all the different parts of the country.

When high roads, bridges, canals, &c. are in this manner made and ſupported by the commerce which is carried on by means of them, they can be made only where that commerce requires them, and conſequently where it is proper to make them. Their expenſe too, their grandeur and magnificence, muſt be ſuited to what that commerce can afford to pay. They muſt be made conſequently as it is proper to make them. A magnificent high road cannot be made through a deſert country where there is little or no commerce, or merely becauſe it happens to lead to the country villa of the intendant of the province, or to that of ſome great lord to whom the intendant finds it convenient to make his court. A great bridge cannot be thrown over a river at a place where nobody paſſes, or merely to embelliſh the view from the windows of a neighbouring palace: things which ſometimes happen, in countries where works of this kind are carried on by any other revenue than that which they themſelves are capable of affording.

In ſeveral different parts of Europe the toll or lock-duty upon a canal is the property of private perſons, whoſe private intereſt obliges

them to keep up the canal. If it is not kept in tolerable order, the navigation neceſſarily ceaſes altogether, and along with it the whole profit which they can make by the tolls. If thoſe tolls were put under the management of commiſſioners, who had themſelves no intereſt in them, they might be leſs attentive to the maintenance of the works which produced them. The canal of Languedoc coſt the king of France and the province upwards of thirteen millions of livres, which (at twenty-eight livres the mark of ſilver, the value of French money in the end of the laſt century) amounted to upwards of nine hundred thouſand pounds ſterling. When that great work was finiſhed, the moſt likely method, it was found, of keeping it in conſtant repair was to make a preſent of the tolls to Riquet the engineer, who planned and conducted the work. Thoſe tolls conſtitute at preſent a very large eſtate to the different branches of the family of that gentleman, who have, therefore, a great intereſt to keep the work in conſtant repair. But had thoſe tolls been put under the management of commiſſioners, who had no ſuch intereſt, they might perhaps have been diſſipated in ornamental and unneceſſary expenſes, while the moſt eſſential parts of the work were allowed to go to ruin.

The tolls for the maintenance of a high road, cannot with any ſafety be made the property of private perſons. A high road, though entirely neglected, does not become altogether impaſſable, though a canal does. The proprietors of the tolls upon a high road, therefore, might neglect

altogether the repair of the road, and yet continue to levy very nearly the ſame tolls. It is proper, therefore, that the tolls for the maintenance of ſuch a work ſhould be put under the management of commiſſioners or truſtees.

In Great Britain, the abuſes which the truſtees have committed in the management of thoſe tolls, have in many caſes been very juſtly complained of. At many turnpikes, it has been ſaid, the money levied is more than double of what is neceſſary for executing, in the compleateſt manner, the work which is often executed in a very ſlovenly manner, and ſometimes not executed at all. The ſyſtem of repairing the high roads by tolls of this kind, it muſt be obſerved, is not of very long ſtanding. We ſhould not wonder, therefore, if it has not yet been brought to that degree of perfection of which it ſeems capable. If mean and improper perſons are frequently appointed truſtees; and if proper courts of inſpection and account have not yet been eſtabliſhed for controlling their conduct, and for reducing the tolls to what is barely ſufficient for executing the work to be done by them; the recency of the inſtitution both accounts and apologizes for thoſe defects, of which, by the wiſdom of parliament, the greater part may in due time be gradually remitted.

The money levied at the different turnpikes in Great Britain is ſuppoſed to exceed ſo much what is neceſſary for repairing the roads, that the ſavings, which, with proper œconomy, might be made from it, have been conſidered, even by ſome miniſters, as a very great reſource which might at

ſome time or another be applied to the exigencies of the ſtate. Government, it has been ſaid, by taking the management of the turnpikes into its own hands, and by employing the ſoldiers, who would work for a very ſmall addition to their pay, could keep the roads in good order at a much leſs expenſe than it can be done by truſtees, who have no other workmen to employ, but ſuch as derive their whole ſubſiſtence from their wages. A great revenue, half a million, perhaps *, it has been pretended, might in this manner be gained without laying any new burden upon the people; and the turnpike roads might be made to contribute to the general expenſe of the ſtate, in the ſame manner as the poſt-office does at preſent.

That a conſiderable revenue might be gained in this manner, I have no doubt, though probably not near ſo much, as the projectors of this plan have ſuppoſed. The plan itſelf, however, ſeems liable to ſeveral very important objections.

Firſt, if the tolls which are levied at the turnpikes ſhould ever be conſidered as one of the reſources for ſupplying the exigencies of the ſtate, they would certainly be augmented as thoſe exigencies were ſuppoſed to require. According to the policy of Great Britain, therefore, they

* Since publiſhing the two firſt editions of this book, I have got good reaſons to believe that all the turnpike tolls levied in Great Britain do not produce a neat revenue that amounts to half a million; a ſum which, under the management of Government, would not be ſufficient to keep in repair five of the principal roads in the kingdom.

would probably be augmented very faſt. The facility with which a great revenue could be drawn from them, would probably encourage adminiſtration to recur very frequently to this reſource. Though it may, perhaps, be more than doubtful, whether half a million could by any œconomy be ſaved out of the preſent tolls, it can ſcarce be doubted but that a million might be ſaved out of them, if they were doubled; and perhaps two millions, if they were tripled *. This great revenue too might be levied without the appointment of a ſingle new officer to collect and receive it. But the turnpike tolls being continually augmented in this manner, inſtead of facilitating the inland commerce of the country, as at preſent, would ſoon become a very great incumbrance upon it. The expenſe of tranſporting all heavy goods from one part of the country to another would ſoon be ſo much increaſed, the market for all ſuch goods, conſequently, would ſoon be ſo much narrowed; that their production would be in a great meaſure diſcouraged, and the moſt important branches of the domeſtic induſtry of the country annihilated altogether.

Secondly, a tax upon carriages in proportion to their weight, though a very equal tax when applied to the ſole purpoſe of repairing the roads, is a very unequal one, when applied to any other purpoſe, or to ſupply the common exigencies of the ſtate. When it is applied to the ſole purpoſe

* I have now good reaſons to believe that all theſe conjectural ſums are by much too large.

above mentioned, each carriage is ſuppoſed to pay exactly for the wear and tear which that carriage occaſions of the roads. But when it is applied to any other purpoſe, each carriage is ſuppoſed to pay for more than that wear and tear, and contributes to the ſupply of ſome other exigency of the ſtate. But as the turnpike toll raiſes the price of goods in proportion to their weight, and not to their value, it is chiefly paid by the conſumers of coarſe and bulky, not by thoſe of precious and light commodities. Whatever exigency of the ſtate, therefore, this tax might be intended to ſupply, that exigency would be chiefly ſupplied at the expenſe of the poor, not of the rich; at the expenſe of thoſe who are leaſt able to ſupply it, not of thoſe who are moſt able.

Thirdly, if government ſhould at any time neglect the reparation of the high roads, it would be ſtill more difficult, than it is at preſent, to compel the proper application of any part of the turnpike tolls. A large revenue might thus be levied upon the people, without any part of it being applied to the only purpoſe to which a revenue levied in this manner ought ever to be applied. If the meanneſs and poverty of the truſtees of turnpike roads render it ſometimes difficult at preſent to oblige them to repair their wrong; their wealth and greatneſs would render it ten times more ſo in the caſe which is here ſuppoſed.

In France, the funds deſtined for the reparation of the high roads are under the immediate direction of the executive power. Thoſe funds conſiſt,

partly in a certain number of days labor which the country people are in moſt parts of Europe obliged to give to the reparation of the highways; and partly in ſuch a portion of the general revenue of the ſtate as the king chuſes to ſpare from his other expenſes.

By the ancient law of France, as well as by that of moſt other parts of Europe, the labor of the country people was under the direction of a local or provincial magiſtracy, which had no immediate dependency upon the king's council. But by the preſent practice both the labor of the country people, and whatever other fund the king may chuſe to aſſign for the reparation of the high roads in any particular province or generality, are entirely under the management of the intendant; an officer who is appointed and removed by the king's council, who receives his orders from it, and is in conſtant correſpondence with it. In the progreſs of deſpotiſm the authority of the executive power gradually abſorbs that of every other power in the ſtate, and aſſumes to itſelf the management of every branch of revenue which is deſtined for any public purpoſe. In France, however, the great poſt-roads, the roads which make the communication between the principal towns of the kingdom, are in general kept in good order; and in ſome provinces are even a good deal ſuperior to the greater part of the turnpike roads of England. But what we call the croſs-roads, that is, the far greater part of the roads in the country, are entirely neglected, and are in many places abſo-

lutely impaſſable for any heavy carriage. In ſome places it is even dangerous to travel on horſeback, and mules are the only conveyance which can ſafely be truſted. The proud miniſter of an oſtentatious court may frequently take pleaſure in executing a work of ſplendor and magnificence, ſuch as a great highway, which is frequently ſeen by the principal nobility, whoſe applauſes not only flatter his vanity, but even contribute to ſupport his intereſt at court. But to execute a great number of little works, in which nothing that can be done can make any great appearance, or excite the ſmalleſt degree of admiration in any traveller, and which, in ſhort, have nothing to recommend them but their extreme utility, is a buſineſs which appears in every reſpect too mean and paultry to merit the attention of ſo great a magiſtrate. Under ſuch an adminiſtration, therefore, ſuch works are almoſt always entirely neglected.

In China, and in ſeveral other governments of Aſia, the executive power charges itſelf both with the reparation of the high roads, and with the maintenance of the navigable canals. In the inſtructions which are given to the governor of each province, thoſe objects, it is ſaid, are conſtantly recommended to him, and the judgment which the court forms of his conduct is very much regulated by the attention which he appears to have paid to this part of his inſtructions. This branch of public police accordingly is ſaid to be very much attended to in all thoſe countries, but particularly in

China, where the high roads, and ftill more the navigable canals, it is pretended, exceed very much every thing of the fame kind which is known in Europe. The accounts of thofe works, however, which have been tranfmitted to Europe, have generally, been drawn up by weak and wondering travellers; frequently by ftupid and lying miffionaries. If they had been examined by more intelligent eyes, and if the accounts of them had been reported by more faithful witneffes, they would not, perhaps, appear to be fo wonderful. The account which Bernier gives of fome works of this kind in Indoftan, falls very much fhort of what had been reported of them by other travellers, more difpofed to the marvellous than he was. It may too, perhaps, be in thofe countries, as it is in France, where the great roads, the great communications which are likely to be the fubjects of converfation at the court and in the capital, are attended to, and all the reft neglected. In China, befides, in Indoftan, and in feveral other governments of Afia, the revenue of the fovereign arifes almoft altogether from a land-tax or land-rent, which rifes or falls with the rife and fall of the annual produce of the land. The great intereft of the fovereign, therefore, his revenue, is in fuch countries neceffarily and immediately connected with the cultivation of the land, with the greatnefs of its produce, and with the value of its produce. But in order to render that produce both as great and as valuable as poffible, it is neceffary to procure to it as extenfive a market as poffible, and

consequently to establish the freest, the easiest, and the least expensive communication between all the different parts of the country; which can be done only by means of the best roads and the best navigable canals. But the revenue of the sovereign does not, in any part of Europe, arise chiefly from a land-tax or land-rent. In all the great kingdoms of Europe, perhaps, the greater part of it may ultimately depend upon the produce of the land: But that dependency is neither so immediate, nor so evident. In Europe, therefore, the sovereign does not feel himself so directly called upon to promote the increase, both in quantity and value, of the produce of the land, or, by maintaining good roads and canals, to provide the most extensive market for that produce. Though it should be true, therefore, what I apprehend is not a little doubtful, that in some parts of Asia this department of the public police is very properly managed by the executive power, there is not the least probability that, during the present state of things, it could be tolerably managed by that power in any part of Europe.

Even those public works which are of such a nature that they cannot afford any revenue for maintaining themselves, but of which the conveniency is nearly confined to some particular place or district, are always better maintained by a local or provincial revenue, under the management of a local and provincial administration, than by the general revenue of the state, of which the

executive power muſt always have the management. Were the ſtreets of London to be lighted and paved at the expenſe of the treaſury, is there any probability that they would be ſo well lighted and paved as they are at preſent, or even at ſo ſmall an expenſe? The expenſe, beſides, inſtead of being raiſed by a local tax upon the inhabitants of each particular ſtreet, pariſh, or diſtrict in London, would, in this caſe, be defrayed out of the general revenue of the ſtate, and would conſequently be raiſed by a tax upon all the inhabitants of the kingdom, of whom the greater part derive no ſort of benefit from the lighting and paving of the ſtreets of London.

The abuſes which ſometimes creep into the local and provincial adminiſtration of a local and provincial revenue, how enormous ſoever they may appear, are in reality, however, almoſt always very trifling, in compariſon of thoſe which commonly take place in the adminiſtration and expenditure of the revenue of a great empire. They are, beſides, much more eaſily corrected. Under the local or provincial adminiſtration of the juſtices of the peace in Great Britain, the ſix days labor which the country people are obliged to give to the reparation of the highways, is not always perhaps very judiciouſly applied, but it is ſcarce ever exacted with any circumſtance of cruelty or oppreſſion. In France, under the adminiſtration of the intendants, the application is not always more judicious, and the exaction is frequently the moſt cruel and oppreſſive. Such corvées, as they are

called, make one of the principal inftruments of tyranny by which thofe officers chaftife any parifh or communauté which has had the misfortune to fall under their difpleafure.

Of the Public Works and Inftitutions which are neceffary for facilitating particular Branches of Commerce.

THE object of the public works and inftitutions above mentioned is to facilitate commerce in general. But in order to facilitate fome particular branches of it, particular inftitutions are neceffary, which again require a particular and extraordinary expenfe.

Some particular branches of commerce, which are carried on with barbarous and uncivilized nations, require extraordinary protection. An ordinary ftore or counting - houfe could give little fecurity to the goods of the merchants who trade to the weftern coaft of Africa. To defend them from the barbarous natives, it is neceffary that the place where they are depofited, fhould be, in fome meafure, fortified. The diforders in the government of Indoftan have been fuppofed to render a like precaution neceffary even among that mild and gentle people; and it was under pretence of fecuring their perfons and property from violence, that both the Englifh and French Eaft India Companies were allowed to erect the firft forts which they poffeffed in that country. Among other nations, whofe vigorous government will fuffer no ftrangers to poffefs

any

any fortified place within their territory, it may be neceſſary to maintain ſome ambaſſador, miniſter, or conſul, who may both decide, according to their own cuſtoms, the differences ariſing among his own countrymen; and, in their diſputes with the natives, may, by means of his public character, interfere with more authority, and afford them a more powerful protection, than they could expect from any private man. The intereſts of commerce have frequently made it neceſſary to maintain miniſters in foreign countries, where the purpoſes, either of war or alliance, would not have required any. The commerce of the Turkey Company firſt occaſioned the eſtabliſhment of an ordinary ambaſſador at Conſtantinople. The firſt Engliſh embaſſies to Ruſſia aroſe altogether from commercial intereſts. The conſtant interference which thoſe intereſts neceſſarily occaſioned between the ſubjects of the different ſtates of Europe, has probably introduced the cuſtom of keeping, in all neighbouring countries, ambaſſadors or miniſters conſtantly reſident even in the time of peace. This cuſtom, unknown to ancient times, ſeems not to be older than the end of the fifteenth or beginning of the ſixteenth century; that is, than the time when commerce firſt began to extend itſelf to the greater part of the nations of Europe and when they firſt began to attend to its intereſts.

It ſeems not unreaſonable, that the extraordinary expenſe, which the protection of any particular branch of commerce may occaſion, ſhould be defrayed by a moderate tax upon that

particular branch; by a moderate fine, for example, to be paid by the traders when they firſt enter into it, or, what is more equal, by a particular duty of ſo much per cent. upon the goods which they either import into, or export out of, the particular countries with which it is carried on. The protection of trade in general, from pirates and freebooters, is ſaid to have given occaſion to the firſt inſtitution of the duties of cuſtoms. But, if it was thought reaſonable to lay a general tax upon trade, in order to defray the expenſe of protecting trade in general, it ſhould ſeem equally reaſonable to lay a particular tax upon a particular branch of trade, in order to defray the extraordinary expenſe of protecting that branch.

The protection of trade in general has always been conſidered as eſſential to the defence of the commonwealth, and, upon that account, a neceſſary part of the duty of the executive power. The collection and application of the general duties of cuſtoms, therefore, have always been left to that power. But the protection of any particular branch of trade is a part of the general protection of trade; a part, therefore, of the duty of that power; and if nations always acted conſiſtently, the particular duties levied for the purpoſes of ſuch particular protection, ſhould always have been left equally to its diſpoſal. But in this reſpect, as well as in many others, nations have not always acted conſiſtently; and in the greater part of the commercial ſtates of Europe, particular companies of merchants have had the addreſs to perſuade the legiſlature to intruſt to

them the performance of this part of the duty of the sovereign, together with all the powers which are necessarily connected with it.

These companies, though they may, perhaps, have been useful for the first introduction of some branches of commerce, by making, at their own expense, an experiment which the state might not think it prudent to make, have in the long-run proved, universally, either burdensome or useless, and have either mismanaged or confined the trade.

When those companies do not trade upon a joint stock, but are obliged to admit any person, properly qualified, upon paying a certain fine, and agreeing to submit to the regulations of the company, each member trading upon his own stock, and at his own risk, they are called regulated companies. When they trade upon a joint stock, each member sharing in the common profit or loss in proportion to his share in this stock, they are called joint stock companies. Such companies, whether regulated or joint stock, sometimes have, and sometimes have not exclusive privileges.

Regulated companies resemble, in every respect, the corporations of trades, so common in the cities and towns of all the different countries of Europe; and are a sort of enlarged monopolies of the same kind. As no inhabitant of a town can exercise an incorporated trade, without first obtaining his freedom in the corporation, so in most cases no subject of the state can lawfully carry on any branch of foreign trade, for

which a regulated company is eftablifhed, without firft becoming a member of that company. The monopoly is more or lefs ftrict according as the terms of admiffion are more or lefs difficult; and according as the directors of the company have more or lefs authority, or have it more or lefs in their power to manage in fuch a manner as to confine the greater part of the trade to themfelves, and their particular friends. In the moft ancient regulated companies the privileges of apprenticefhip were the fame as in other corporations; and entitled the perfon who had ferved his time to a member of the company, to become himfelf a member, either without paying any fine, or upon paying a much fmaller one than what was exacted of other people. The ufual corporation fpirit, wherever the law does not reftrain it, prevails in all regulated companies. When they have been allowed to act according to their natural genius, they have always, in order to confine the competition to as fmall a number of perfons as poffible, endeavoured to fubject the trade to many burdenfome regulations. When the law has reftrained them from doing this, they have become altogether ufelefs and infignificant.

The regulated companies for foreign commerce, which at prefent fubfift in Great Britain, are, the ancient merchant adventurers company, now commonly called the Hamburgh Company, the Ruffia Company, the Eaftland Company, the Turkey Company, and the African Company.

The terms of admiſſion into the Hamburgh Company, are now ſaid to be quite eaſy, and the directors either have it not in their power to ſubject the trade to any burdenſome reſtraint or regulations, or, at leaſt, have not of late exerciſed that power. It has not always been ſo. About the middle of the laſt century, the fine for admiſſion was fifty, and at one time one hundred pounds, and the conduct of the company was ſaid to be extremely oppreſſive. In 1643, in 1645, and in 1661, the clothiers and free traders of the Weſt of England complained of them to parliament, as of monopoliſts who confined the trade and oppreſſed the manufactures of the country. Though thoſe complaints produced no act of parliament, they had probably intimidated the company ſo far, as to oblige them to reform their conduct. Since that time, at leaſt, there has been no complaints againſt them. By the 10th and 11th of William III. c. 6. the fine for admiſſion into the Ruſſian Company was reduced to five pounds; and by the 25th of Charles II. c. 7. that for admiſſion into the Eaſtland Company, to forty ſhillings, while, at the ſame time, Sweden, Denmark and Norway, all the countries on the north-ſide of the Baltic, were exempted from their excluſive charter. The conduct of thoſe companies had probably given occaſion to thoſe two acts of parliament. Before that time, Sir Joſiah Child had repreſented both theſe and the Hamburgh Company as extremely oppreſſive, and imputed to their bad management the low ſtate of the trade, which

we at that time carried on to the countries comprehended within their respective charters. But though such companies may not, in the present times, be very oppressive, they are certainly altogether useless. To be merely useless, indeed, is perhaps the highest eulogy which can ever justly be bestowed upon a regulated company; and all the three companies above mentioned seem, in their present state, to deserve this eulogy.

The fine for admission into the Turkey Company, was formerly twenty-five pounds for all persons under twenty-six years of age, and fifty pounds for all persons above that age. Nobody but mere merchants could be admitted; a restriction which excluded all shop keepers and retailers. By a bye-law, no British manufactures could be exported to Turkey but in the general ships of the company; and as those ships sailed always from the port of London, this restriction confined the trade to that expensive port, and the traders, to those who lived in London and in its neighbourhood. By another bye-law, no person living within twenty miles of London, and not free of the city, could be admitted a member; another restriction, which, joined to the foregoing, necessarily excluded all but the freemen of London. As the time for the loading and sailing of those general ships depended altogether upon the directors, they could easily fill them with their own goods and those of their particular friends, to the exclusion of others, who, they might pretend, had made their proposals too late. In this state of things, therefore,

this company was in every reſpect a ſtrict and oppreſſive monopoly. Thoſe abuſes gave occaſion to the act of the 26th of George II. c. 18. reducing the fine for admiſſion to twenty pounds for all perſons, without any diſtinction of ages, or any reſtriction, either to mere merchants, or to the freemen of London; and granting to all ſuch perſons the liberty of exporting, from all the ports of Great Britain to any port in Turkey, all Britiſh goods of which the exportation was not prohibited; and of importing from thence all Turkiſh goods, of which the importation was not prohibited, upon paying both the general duties of cuſtoms, and the particular duties aſſeſſed for defraying the neceſſary expenſes of the company; and ſubmitting, at the ſame time, to the lawful authority of the Britiſh ambaſſador and conſuls reſident in Turkey, and to the bye-laws of the company duly enacted. To prevent any oppreſſion by thoſe bye-laws, it was by the ſame act ordained, that if any ſeven members of the company conceived themſelves aggrieved by any bye-law which ſhould be enacted after the paſſing of this act, they might appeal to the Board of Trade and Plantations (to the authority of which, a committee of the privy council has now ſucceeded), provided ſuch appeal was brought within twelve months after the bye-law was enacted; and that if any ſeven members conceived themſelves aggrieved by any bye-law which had been enacted before the paſſing of this act, they might bring a like appeal provided it was within twelve

months after the day on which this act was to take place. The experience of one year, however, may not always be sufficient to discover to all the members of a great company the pernicious tendency of a particular bye-law; and if several of them should afterwards discover it, neither the Board of Trade, nor the committee of council, can afford them any redress. The object, besides, of the greater part of the bye-laws of all regulated companies, as well as of all other corporations, is not so much to oppress those who are already members, as to discourage others from becoming so; which may be done, not only by a high fine, but by many other contrivances. The constant view of such companies is always to raise the rate of their own profit as high as they can; to keep the market, both for the goods which they export, and for those which they import, as much understocked as they can: which can be done only by restraining the competition, or by discouraging new adventurers from entering into the trade. A fine even of twenty pounds, besides, though it may not, perhaps, be sufficient to discourage any man from entering into the Turkey trade, with an intention to continue in it, may be enough to discourage a speculative merchant from hazarding a single adventure in it. In all trades, the regular established traders, even though not incorporated, naturally combine to raise profits, which are noway so likely to be kept, at all times, down to their proper level, as by the occasional competition of speculative adventurers. The Turkey

trade, though in ſome meaſure laid open by this act of parliament, is ſtill conſidered by many people as very far from being altogether free. The Turkey company contribute to maintain an ambaſſador and two or three conſuls, who, like other public miniſters, ought to be maintained altogether by the ſtate, and the trade laid open to all his majeſty's ſubjects. The different taxes levied by the company, for this and other corporation purpoſes, might afford a revenue much more than ſufficient to enable the ſtate to maintain ſuch miniſters.

Regulated companies, it was obſerved by Sir Joſias Child, though they had frequently ſupported public miniſters, had never maintained any forts or garriſons in the countries to which they traded; whereas joint ſtock companies frequently had. And in reality the former ſeem to be much more unfit for this ſort of ſervice than the latter. Firſt, the directors of a regulated company have no particular intereſt in the proſperity of the general trade of the company, for the ſake of which, ſuch forts and garriſons are maintained. The decay of that general trade may even frequently contribute to the advantage of their own private trade; as by diminiſhing the number of their competitors, it may enable them both to buy cheaper, and to ſell dearer. The directors of a joint ſtock company, on the contrary, having only their ſhare in the profits which are made upon the common ſtock committed to their management, have no private trade of their own, of which the intereſt can be

ſeparated from that of the general trade of the company. Their private intereſt is connected with the proſperity of the general trade of the company; and with the maintenance of the forts and garriſons which are neceſſary for its defence. They are more likely, therefore, to have that continual and careful attention which that maintenance neceſſarily requires. Secondly, The directors of a joint ſtock company have always the management of a large capital, the joint ſtock of the company, a part of which they may frequently employ, with propriety, in building, repairing, and maintaining ſuch neceſſary forts and garriſons. But the directors of a regulated company, having the management of no common capital, have no other fund to employ in this way, but the caſual revenue ariſing from the admiſſion fines, and from the corporation duties, impoſed upon the trade of the company. Though they had the ſame intereſt, therefore, to attend to the maintenance of ſuch forts and garriſons, they can ſeldom have the ſame ability to render that attention effectual. The maintenance of a public miniſter requiring ſcarce any attention, and but a moderate and limited expenſe, is a buſineſs much more ſuitable both to the temper and abilities of a regulated company.

Long after the time of Sir Joſiah Child, however, in 1750, a regulated company was eſtabliſhed, the preſent company of merchants trading to Africa, which was expreſsly charged at firſt with the maintenance of all the Britiſh forts and garriſons that lie between Cape Blanc and

the Cape of Good Hope, and afterwards with that of thoſe only which lie between Cape Rouge and the Cape of Good Hope. The act which eſtabliſhes this company (the 23d of George II. c. 31.) ſeems to have had two diſtinct objects in view; firſt, to reſtrain effectually the oppreſſive and monopolizing ſpirit which is natural to the directors of a regulated company; and ſecondly, to force them, as much as poſſible, to give an attention, which is not natural to them, towards the maintenance of forts and garriſons.

For the firſt of theſe purpoſes, the fine for admiſſion is limited to forty ſhillings. The company is prohibited from trading in their corporate capacity, or upon a joint ſtock; from borrowing money upon common ſeal, or from laying any reſtraints upon the trade which may be carried on freely from all places, and by all perſons being Britiſh ſubjects, and paying the fine. The government is in a committee of nine perſons who meet at London, but who are choſen annually by the freemen of the company at London, Briſtol and Liverpool; three from each place. No committee-man can be continued in office for more than three years together. Any committee-man might be removed by the Board of Trade and Plantations; now by a committee of council, after being heard in his own defence. The committee are forbid to export negroes from Africa, or to import any African goods into Great Britain. But as they are charged with the maintenance of forts and garriſons, they may, for that purpoſe, export from Great Britain to Africa,

goods and ſtores of different kinds. Out of the monies which they ſhall receive from the company, they are allowed a ſum not exceeding eight hundred pounds for the ſalaries of their clerks and agents at London, Briſtol and Liverpool, the houſe rent of their office at London, and all other expenſes of management, commiſſion and agency in England. What remains of this ſum, after defraying theſe different expenſes, they may divide among themſelves, as compenſation for their trouble, in what manner they think proper. By this conſtitution, it might have been expected, that the ſpirit of monopoly would have been effectually reſtrained, and the firſt of theſe purpoſes ſufficiently anſwered. It would ſeem, however, that it had not. Though by the 4th of George III. c. 20. the fort of Senegal, with all its dependencies, had been veſted in the company of merchants trading to Africa, yet in the year following, (by the 5th of George III. c. 44.) not only Senegal and its dependencies, but the whole coaſt from the port of Sallee, in ſouth Barbary, to Cape Rouge, was exempted from the juriſdiction of that company, was veſted in the crown, and the trade to it declared free to all his majeſty's ſubjects. The company had been ſuſpected of reſtraining the trade, and of eſtabliſhing ſome ſort of improper monopoly. It is not, however, very eaſy to conceive how, under the regulations of the 23d George II. they could do ſo In the printed debates of the Houſe of Commons, not always the moſt authentic records of truth, I obſerve, however, that they have been

accuſed of this. The members of the committee of nine, being all merchants and the governors and factors, in their different forts and ſettlements, being all dependent upon them, it is not unlikely that the latter might have given peculiar attention to the conſignments and commiſſions of the former, which would eſtabliſh a real monopoly.

For the ſecond of theſe purpoſes, the maintenance of the forts and garriſons, an annual ſum has been allotted to them by parliament, generally about 13,000 *l.* For the proper application of this ſum, the committee is obliged to account annually to the Curſitor Baron of Exchequer; which account is afterwards to be laid before parliament. But parliament, which gives ſo little attention to the application of millions, is not likely to give much to that of 13,000 *l.* a-year; and the Curſitor Baron of Exchequer, from his profeſſion and education, is not likely to be profoundly ſkilled in the proper expenſe of forts and garriſons. The captains of his majeſty's navy, indeed, or any other commiſſioned officers, appointed by the Board of Admiralty, may inquire into the condition of the forts and garriſons, and report their obſervations to that board. But that board ſeems to have no direct juriſdiction over the committee, nor any authority to correct thoſe whoſe conduct it may thus inquire into; and the captains of his majeſty's navy, beſides, are not ſuppoſed to be always deeply learned in the ſcience of fortification. Removal from an office, which can be enjoyed only

for the term of three years, and of which the lawful emoluments, even during that term, are ſo very ſmall, ſeems to be the utmoſt puniſhment to which any committee-man is liable, for any fault, except direct malverſation, or embezzlement, either of the public money, or of that of the company; and the fear of that puniſhment can never be a motive of ſufficient weight to force a continual and careful attention to a buſineſs, to which he has no other intereſt to attend. The committee are accuſed of having ſent out bricks and ſtones from England for the reparation of Cape Coaſt Caſtle on the coaſt of Guinea, a buſineſs for which parliament had ſeveral times granted an extraordinary ſum of money. Theſe bricks aud ſtones too, which had thus been ſet upon ſo long a voyage, were ſaid to have been of ſo bad a quality, that it was neceſſary to rebuild from the foundation the walls which had been repaired with them. The forts and garriſons which lie north of Cape Rouge, are not only maintained at the expenſe of the ſtate, but are under the immediate government of the executive power; and why thoſe which lie ſouth of that Cape, and which too are, in part at leaſt maintained at the expenſe of the ſtate, ſhould be under a different government, it ſeems not very eaſy even to imagine a good reaſon. The protection of the Mediterranean trade was the original purpoſe or pretence of the garriſons of Gibraltar and Minorca, and the maintenance and government of thoſe garriſons has always been, very properly, committed, not to

the Turkey Company, but to the executive power. In the extent of its dominion confifts, in a great meafure, the pride and dignity of that power; and it is not very likely to fail in attention to what is neceffary for the defence of that dominion. The garrifons at Gibraltar and Minorca, accordingly, have never been neglected; though Minorca has been twice taken, and is now probably loft for ever, that difafter was never even imputed to any neglect in the executive power. I would not, however, be underftood to infinuate, that either of thofe expenfive garrifons was ever, even in the fmalleft degree, neceffary for the purpofe for which they were originally difmembered from the Spanifh monarchy. That difmemberment, perhaps, never ferved any other real purpofe than to alienate from England her natural ally the King of Spain, and to unite the two principal branches of the houfe of Bourbon in a much ftricter and more permanent alliance than the ties of blood could ever have united them.

Joint ftock companies, eftablifhed either by royal charter or by act of parliament, differ in feveral refpects, not only from regulated companies, but from private copartneries.

Firft, In a private copartnery, no partner, without the confent of the company, can transfer his fhare to another perfon, or introduce a new member into the company. Each member, however, may, upon proper warning, withdraw from the copartnery, and demand payment from them of his fhare of the common ftock. In a joint ftock company, on the contrary, no member

can demand payment of his ſhare from the company; but each member can, without their conſent, transfer his ſhare to another perſon, and thereby introduce a new member. The value of a ſhare in a joint ſtock is always the price which it will bring in the market; and this may be either greater or leſs, in any proportion, than the ſum which its owner ſtands credited for in the ſtock of the company.

Secondly, In a private copartnery, each partner is bound for the debts contracted by the company to the whole extent of his fortune. In a joint ſtock company, on the contrary, each partner is bound only to the extent of his ſhare.

The trade of a joint ſtock company is always managed by a court of directors. This court, indeed, is frequently ſubject, in many reſpects, to the control of a general court of proprietors. But the greater part of thoſe proprietors ſeldom pretend to underſtand any thing of the buſineſs of the company; and when the ſpirit of faction happens not to prevail among them, give themſelves no trouble about it, but receive contentedly ſuch half yearly or yearly dividend, as the directors think proper to make to them. This total exemption from trouble and from riſk, beyond a limited ſum, encourages many people to become adventurers in joint ſtock companies, who would, upon no account, hazard their fortunes in any private copartnery. Such companies, therefore, commonly draw to themſelves much greater ſtocks than any private copartnery can boaſt of. The trading ſtock of the South Sea

Company,

Company, at one time, amounted to upwards of thirty-three millions eight hundred thousand pounds. The divided capital of the Bank of England amounts, at present, to ten millions seven hundred and eighty thousand pounds. The directors of such companies, however, being the managers rather of other people's money than of their own, it cannot well be expected that they should watch over it with the same anxious vigilance with which the partners in a private copartnery frequently watch over their own. Like the stewards of a rich man, they are apt to consider attention to small matters as not for their master's honor, and very easily give themselves a dispensation from having it. Negligence and profusion, therefore, must always prevail, more or less, in the management of the affairs of such a company. It is upon this account that joint stock companies for foreign trade have seldom been able to maintain the competition against private adventurers. They have, accordingly, very seldom succeeded without an exclusive privilege; and frequently have not succeeded with one. Without an exclusive privilege they have commonly mismanaged the trade. With an exclusive privilege they have both mismanaged and confined it.

The royal African Company, the predecessors of the present African Company, had an exclusive privilege by charter; but as that charter had not been confirmed by act of parliament, the trade, in consequence of the declaration of right, was, soon after the revolution, laid open

to all his majefty's fubjects. The Huldfon's Bay Company are, as to their legal rights, in the fame fituation as the Royal African Company. Their exclufive charter has not been confirmed by act of parliament. The South Sea Company, as long as they continued to be a trading company, had an exclufive privilege confirmed by act of parliament; as have likewife the prefent United Company of Merchants trading to the Eaft Indies.

The Royal African Company foon found that they could not maintain the competition againft private adventurers, whom, notwithftanding the declaration of rights, they continued for fome time to call interlopers, and to perfecute as fuch. In 1698, however, the private adventurers were fubjected to a duty of ten per cent. upon almoft all the different branches of their trade, to be employed by the company in the maintenance of their forts and garrifons. But, notwithftanding this heavy tax, the company were ftill unable to maintain the competition. Their ftock and credit gradually declined. In 1712, their debts had become fo great, that a particular act of parliament was thought neceffary, both for their fecurity and for that of their creditors. It was enacted, that the refolution of two-thirds of thefe creditors in number and value, fhould bind the reft, both with regard to the time which fhould be allowed to the company for the payment of their debts; and with regard to any other agreement which it might be thought proper to make with them concerning thofe debts. In 1730,

their affairs were in fo great diforder, that they were altogether incapable of maintaining their forts and garrifons, the fole purpofe and pretext of their inftitution. From that year, till their final diffolution, the parliament judged it neceffary to allow the annual fum of ten thoufand pounds for that purpofe. In 1732, after having been for many years lofers by the trade of carrying negroes to the Weft-Indies, they at laft refolved to give it up altogether; to fell to the private traders to America the negroes which they purchafed upon the coaft; and to employ their fervants in a trade to the inland parts of Africa for gold duft, elephants teeth, dying drugs, &c. But their fuccefs in this more confined trade was not greater than in their former extenfive one. Their affairs continued to go gradually to decline, till at laft, being in every refpect a bankrupt company, they were diffolved by act of parliament, and their forts and garrifons vefted in the prefent regulated company of merchants trading to Africa. Before the erection of the Royal African Company, there had been three other joint ftock companies fucceffively eftablifhed, one after another, for the African trade. They were all equally unfuccefsful. They all, however, had exclufive charters, which though not confirmed by act of parliament, were in thofe days fuppofed to convey a real exclufive privilege.

The Hudfon's Bay Company, before their misfortunes in the late war, had been much more fortunate than the Royal African Company. Their

neceſſary expenſe is much ſmaller. The whole number of people whom they maintain in their different ſettlements and habitations, which they have honored with the name of forts, is ſaid not to exceed a hundred and twenty perſons. This number, however, is ſufficient to prepare beforehand the cargo of furs and other goods neceſſary for loading their ſhips, which, on account of the ice, can ſeldom remain above ſix or eight weeks in thoſe ſeas. This advantage of having a cargo ready prepared, could not for ſeveral years be acquired by private adventurers, and without it there ſeems to be no poſſibility of trading to Hudſon's Bay. The moderate capital of the company, which, it is ſaid, does not exceed one hundred and ten thouſand pounds, may beſides be ſufficient to enable them to engroſs the whole, or almoſt the whole, trade and ſurplus produce of the miſerable, though extenſive country, comprehended within their charter. No private adventurers, accordingly, have ever attempted to trade to that country in competition with them. This company, therefore, have always enjoyed an excluſive trade in fact, though they may have no right to it in law. Over and above all this, the moderate capital of this company is ſaid to be divided among a very ſmall number of proprietors. But a joint ſtock company, conſiſting of a ſmall number of proprietors, with a moderate capital, approaches very nearly to the nature of a private copartnery, and may be capable of nearly the ſame degree of vigilance and attention. It is not to be wondered at, therefore, if

in confequence of thefe different advantages, the Hudfon's Bay Company had, before the late war, been able to carry on their trade with a confiderable degree of fuccefs. It does not feem probable, however, that their profits ever approached to what the late Mr. Dobbs imagined them. A much more fober and judicious writer, Mr. Anderfon, author of The Hiftorical and Chronological Deduction of Commerce, very juftly obferves, that upon examining the accounts which Mr. Dobbs himfelf has given for feveral years together, of their exports and imports, and upon making proper allowances for their extraordinary rifk and expenfe, it does not appear that their profits deferve to be envied, or that they can much, if at all, exceed the ordinary profits of trade.

The South Sea Company never had any forts or garrifons to maintain, and therefore were entirely exempted from one great expenfe, to which other joint ftock companies for foreign trade are fubject. But they had an immenfe capital divided among an immenfe number of proprietors. It was naturally to be expected, therefore, that folly, negligence, and profufion fhould prevail in the whole management of their affairs. The knavery and extravagance of their ftock-jobbing projects are fufficiently known, and the explication of them would be foreign to the prefent fubject. Their mercantile projects were not much better conducted. The firft trade which they engaged in was that of fupplying the Spanifh Weft-Indies with negroes, of which (in confequence of what

was called the Aſſiento contract granted them by the treaty of Utrecht) they had the excluſive privilege. But as it was not expected that much profit could be made by this trade, both the Portugueze and French companies, who had enjoyed it upon the ſame terms before them, having been ruined by it, they were allowed, as compenſation, to ſend annually a ſhip of a certain burden to trade directly to the Spaniſh Weſt-Indies. Of the ten voyages which this annual ſhip was allowed to make, they are ſaid to have gained conſiderably by one, that of the Royal Caroline in 1731, and to have been loſers, more or leſs, by almoſt all the reſt. Their ill ſucceſs was imputed, by their factors and agents, to the extortion and oppreſſion of the Spaniſh government; but was, perhaps, principally owing to the profuſion and depredations of thoſe very factors and agents; ſome of whom are ſaid to have acquired great fortunes even in one year. In 1734, the company petitioned the king, that they might be allowed to diſpoſe of the trade and tunnage of their annual ſhip, on account of the little profit which they made by it, and to accept of ſuch equivalent as they could obtain from the king of Spain.

In 1724, this company had undertaken the whale-fiſhery. Of this, indeed, they had no monopoly; but as long as they carried it on, no other Britiſh ſubjects appear to have engaged in it. Of the eight voyages which their ſhips made to Greenland, they were gainers by one, and loſers by all the reſt. After their eighth and laſt voyage, when they had

ſold their ſhips, ſtores, and utenſils, they found that their whole loſs, upon this branch, capital and intereſt included, amounted to upwards of two hundred and thirty-ſeven thouſand pounds.

In 1722, this company petitioned the parliament to be allowed to divide their immenſe capital of more than thirty-three millions eight hundred thouſand pounds, the whole of which had been lent to government, into two equal parts: The one half, or upwards of ſixteen millions nine hundred thouſand pounds, to be put upon the ſame footing with other government annuities, and not to be ſubject to the debts contracted, or loſſes incurred, by the directors of the company, in the proſecution of their mercantile projects; the other half to remain, as before, a trading ſtock, and to be ſubject to thoſe debts and loſſes. The petition was too reaſonable not to be granted. In 1733, they again petitioned the parliament, that three-fourths of their trading ſtock might be turned into annuity ſtock, and only one-fourth remain as trading ſtock, or expoſed to the hazards ariſing from the bad management of their directors. Both their annuity and trading ſtocks had, by this time, been reduced more than two millions each, by ſeveral different payments from government; ſo that this fourth amounted only to 3,662,784l. 8s. 6d. In 1748, all the demands of the company upon the king of Spain, in conſequence of the Aſſiento contract, were, by the treaty of Aix-la-Chapelle, given up for what was ſuppoſed an equivalent. An end was put to their trade with the Spaniſh Weſt-Indies, the remainder of their

trading ſtock was turned into an annuity ſtock, and the company ceaſed in every reſpect to be a trading company.

It ought to be obſerved, that in the trade which the South Sea Company carried on by means of their annual ſhip, the only trade by which it ever was expected that they could make any conſiderable profit, they were not without competitors, either in the foreign or in the home market. At Carthagena, Porto Bello, and La Vera Cruz, they had to encounter the competition of the Spaniſh merchants, who brought from Cadiz, to thoſe markets, European goods, of the ſame kind with the outward cargo of their ſhip; and in England they had to encounter that of the Engliſh merchants, who imported from Cadiz goods of the Spaniſh Weſt-Indies, of the ſame kind with the inward cargo. The goods both of the Spaniſh and Engliſh merchants, indeed, were, perhaps, ſubject to higher duties. But the loſs occaſioned by the negligence, profuſion, and malverſation of the ſervants of the company, had probably been a tax much heavier than all thoſe duties. That a joint ſtock company ſhould be able to carry on ſucceſsfully any branch of foreign trade, when private adventurers can come into any ſort of open and fair competition with them, ſeems contrary to all experience.

The old Engliſh Eaſt India Company was eſtabliſhed in 1600, by a charter from Queen Elizabeth. In the firſt twelve voyages which they fitted out for India, they appear to have traded as a regulated company, with ſeparate

ſtocks, though only in the general ſhips of the company. In 1612, they united into a joint ſtock. Their charter was excluſive, and though not confirmed by act of parliament, was in thoſe days ſuppoſed to convey a real excluſive privilege. For many years, therefore, they were not much diſturbed by interlopers. Their capital, which never exceeded ſeven hundred and forty-four thouſand pounds, and of which fifty pounds was a ſhare, was not ſo exorbitant, nor their dealings ſo extenſive, as to afford either a pretext for groſs negligence and profuſion, or a cover to groſs malverſation. Notwithſtanding ſome extraordinary loſſes, occaſioned partly by the malice of the Dutch Eaſt India Company, and partly by other accidents, they carried on for many years a ſucceſsful trade. But in proceſs of time, when the principles of liberty were better underſtood, it became every day more and more doubtful how far a royal charter, not confirmed by act of parliament, could convey an excluſive privilege. Upon this queſtion the deciſions of the courts of juſtice were not uniform, but varied with the authority of government and the humors of the times. Interlopers multiplied upon them; and towards the end of the reign of Charles II. through the whole of that of James II. and during a part of that of William III. reduced them to great diſtreſs. In 1689, a propoſal was made to parliament of advancing two millions to government at eight per cent. provided the ſubſcribers were erected into a new Eaſt India Company with excluſive privileges. The old Eaſt India Company offered ſeven hundred thouſand

pounds, nearly the amount of their capital, at four per cent. upon the ſame conditions. But ſuch was at that time the ſtate of public credit, that it was more convenient for government to borrow two millions at eight per cent. than ſeven hundred thouſand pounds at four. The propoſal of the new ſubſcribers was accepted, and a new Eaſt India Company eſtabliſhed in conſequence. The old Eaſt India Company, however, had a right to continue their trade till 1701. They had, at the ſame time, in the name of their treaſurer, ſubſcribed, very artfully, three hundred and fifteen thouſand pounds into the ſtock of the new. By a negligence in the expreſſion of the act of parliament, which veſted the Eaſt India trade in the ſubſcribers to this loan of two millions, it did not appear evident that they were all obliged to unite into a joint ſtock. A few private traders, whoſe ſubſcriptions amounted only to ſeven thouſand two hundred pounds, inſiſted upon the privilege of trading ſeparately upon their own ſtocks and at their own riſk. The old Eaſt India Company had a right to a ſeparate trade upon their old ſtock till 1701; and they had likewiſe, both before and after that period, a right, like that of other private traders, to a ſeparate trade upon the three hundred and fifteen thouſand pounds, which they had ſubſcribed into the ſtock of the new company. The competition of the two companies with the private traders, and with one another, is ſaid to have well nigh ruined both. Upon a ſubſequent occaſion, in 1730, when a propoſal was made to parliament for putting the trade under

the management of a regulated company, and thereby laying it in ſome meaſure open, the Eaſt India company, in oppoſition to this propoſal, repreſented in very ſtrong terms, what had been, at this time, the miſerable effects, as they thought them, of this competition. In India, they ſaid, it raiſed the price of goods ſo high, that they were not worth the buying; and in England, by overſtocking the market, it ſunk their price ſo low, that no profit could be made by them. That by a more plentiful ſupply, to the great advantage and conveniency of the public, it muſt have reduced, very much, the price of India goods in the Engliſh market, cannot well be doubted; but that it ſhould have raiſed very much their price in the Indian market, ſeems not very probable, as all the extraordinary demand which that competition could occaſion, muſt have been but as a drop of water in the immenſe ocean of Indian commerce. The increaſe of demand, beſides, though in the beginning it may ſometimes raiſe the price of goods, never fails to lower it in the long run. It encourages production, and thereby increaſes the competition of the producers, who, in order to underſell one another, have recourſe to new diviſions of labor and new improvements of art, which might never otherwiſe have been thought of. The miſerable effects of which the company complained, were the cheapneſs of conſumption and the encouragement given to production, preciſely the two effects which it is the great buſineſs of political œconomy to promote. The competition, however, of which they gave this

doleful account, had not been allowed to be of long continuance. In 1702, the two companies were, in ſome meaſure, united by an indenture tripartite, to which the queen was the third party; and in 1708, they were, by act of parliament, perfectly conſolidated into one company by their preſent name of The United Company of Merchants trading to the Eaſt Indies. Into this act it was thought worth while to inſert a clauſe, allowing the ſeparate traders to continue their trade till Michaelmas 1711, but at the ſame time empowering the directors, upon three years notice, to redeem their little capital of ſeven thouſand two hundred pounds, and thereby to convert the whole ſtock of the company into a joint-ſtock. By the ſame act, the capital of the company, in conſequence of a new loan to government, was augmented from two millions to three millions two hundred thouſand pounds. In 1743, the company advanced another million to government. But this million being raiſed, not by a call upon the proprietors, but by ſelling annuities and contracting bond-debts, it did not augment the ſtock upon which the proprietors could claim a dividend. It augmented, however, their trading ſtock, it being equally liable with the other three millions two hundred thouſand pounds to the loſſes ſuſtained, and debts contracted, by the company in proſecution of their mercantile projects. From 1708, or at leaſt from 1711, this company, being delivered from all competitors, and fully eſtabliſhed in the monopoly of the Engliſh commerce to the Eaſt Indies, carried on a ſucceſsful trade, and from their profits made

annually a moderate dividend to their proprietors. During the French war, which began in 1741, the ambition of Mr. Dupleix, the French governor of Pondicherry, involved them in the wars of the Carnatic, and in the politics of the Indian princes. After many fignal fucceffes, and equally fignal loffes, they at laft loft Madras, at that time their principal fettlement in India. It was reftored to them by the treaty of Aix-la-Chapelle; and about this time the fpirit of war and conqueft feems to have taken poffeffion of their fervants in India, and never fince to have left them. During the French war, which began in 1755, their arms partook of the general good fortune of thofe of Great Britain. They defended Madras, took Pondicherry, recovered Calcutta, and acquired the revenues of a rich and extenfive territory, amounting, it was then faid, to upwards of three millions a-year. They remained for feveral years in quiet poffeffion of this revenue: But in 1767, adminiftration laid claim to their territorial acquifitions, and the revenue arifing from them, as of right belonging to the crown; and the company, in compenfation for this claim, agreed to pay to government four hundred thoufand pounds a-year. They had before this gradually augmented their dividend from about fix to ten per cent.; that is, upon their capital of three millions two hundred thoufand pounds, they had increafed it by a hundred and twenty-eight thoufand pounds, or had raifed it from one hundred and ninety-two thoufand, to three hundred and twenty thoufand pounds a-year. They were attempting about

this time to raiſe it ſtill further, to twelve and a half per cent. which would have made their annual payments to their proprietors equal to what they had agreed to pay annually to government, or to four hundred thouſand pounds a-year. But during the two years in which their agreement with government was to take place, they were reſtrained from any further increaſe of dividend by two ſucceſſive acts of parliament, of which the object was to enable them to make ſpeedier progreſs in the payment of their debts, which were at this time eſtimated at upwards of ſix or ſeven millions ſterling. In 1769, they renewed their agreement with government for five years more, and ſtipulated, that during the courſe of that period they ſhould be allowed gradually to increaſe their dividend to twelve and a half per cent.; never increaſing it, however, more than one per cent. in one year. This increaſe of dividend, therefore, when it had riſen to its utmoſt height, could augment their annual payments, to their proprietors and government together, but by ſix hundred and eight thouſand pounds, beyond what they had been before their late territorial acquiſitions. What the groſs revenue of thoſe territorial acquiſitions was ſuppoſed to amount to, has already been mentioned; and by an account brought by the Cruttenden Eaſt Indiaman in 1768, the nett revenue, clear of all deductions and military charges, was ſtated at two millions forty-eight thouſand ſeven hundred and forty-ſeven pounds. They were ſaid at the ſame time to poſſeſs another revenue, ariſing partly from lands, but chiefly from the cuſtoms

eſtabliſhed at their different ſettlements, amounting to four hundred and thirty-nine thouſand pounds. The profits of their trade too, according to the evidence of their chairman before the Houſe of Commons, amounted at this time to at leaſt four hundred thouſand pounds a-year; according to that of their accomptant, to at leaſt five hundred thouſand; according to the loweſt account, at leaſt equal to the higheſt dividend that was to be paid to their proprietors. So great a revenue might certainly have afforded an augmentation of ſix hundred and eight thouſand pounds in their annual payments; and at the ſame time have left a large ſinking fund ſufficient for the ſpeedy reduction of their debts. In 1773, however, their debts, inſtead of being reduced, were augmented by an arrear to the treaſury in the payment of the four hundred thouſand pounds, by another to the cuſtom-houſe for duties unpaid, by a large debt to the bank for money borrowed, and by a fourth for bills drawn upon them from India, and wantonly accepted, to the amount of upwards of twelve hundred thouſand pounds. The diſtreſs which theſe accumulated claims brought upon them, obliged them, not only to reduce all at once their dividend to ſix per cent. but to throw themſelves upon the mercy of government, and to ſupplicate, firſt, a releaſe from the further payment of the ſtipulated four hundred thouſand pounds a-year; and, ſecondly, a loan of fourteen hundred thouſand, to ſave them from immediate bankruptcy. The great increaſe of their fortune had, it ſeems, only ſerved to furniſh their ſervants with a pretext for

greater profuſion, and a cover for greater malverſation, than in proportion even to that increaſe of fortune. The conduct of their ſervants in India, and the general ſtate of their affairs both in India and in Europe, became the ſubject of a parliamentary inquiry; in conſequence of which ſeveral very important alterations were made in the conſtitution of their government, both at home and abroad. In India their principal ſettlements of Madras, Bombay, and Calcutta, which had before been altogether independent of one another, were ſubjected to a governor-general, aſſiſted by a council of four aſſeſſors, parliament aſſuming to itſelf the firſt nomination of this governor and council who were to reſide at Calcutta; that city having now become, what Madras was before, the moſt important of the Engliſh ſettlements in India. The court of the mayor of Calcutta, originally inſtituted for the trial of mercantile cauſes, which aroſe in the city and neighbourhood, had gradually extended its juriſdiction with the extenſion of the empire. It was now reduced and confined to the original purpoſe of its inſtitution. Inſtead of it a new ſupreme court of judicature was eſtabliſhed, conſiſting of a chief juſtice and three judges to be appointed by the crown. In Europe, the qualification neceſſary to entitle a proprietor to vote at their general courts was raiſed, from five hundred pounds, the original price of a ſhare in the ſtock of the company, to a thouſand pounds. In order to vote upon this qualification too, it was declared neceſſary that he ſhould have poſſeſſed it, if acquired by his own purchaſe, and not by inheritance, for at

leaſt

leaſt one year, inſtead of ſix months, the term requiſite before. The court of twenty-four directors had before been choſen annually; but it was now enacted that each director ſhould, for the future, be choſen for four years; ſix of them, however, to go out of office by rotation every year, and not to be capable of being re-choſen at the election of the ſix new directors for the enſuing year. In conſequence of theſe alterations, the courts, both of the proprietors and directors, it was expected, would be likely to act with more dignity and ſteadineſs than they had uſually done before. But it ſeems impoſſible, by any alterations, to render thoſe courts, in any reſpect, fit to govern, or even to ſhare in the government of a great empire; becauſe the greater part of their members muſt always have too little intereſt in the proſperity of that empire, to give any ſerious attention to what may promote it. Frequently a man of great, ſometimes even a man of ſmall fortune, is willing to purchaſe a thouſand pounds ſhare in India ſtock, merely for the influence which he expects to acquire by a vote in the court of proprietors. It gives him a ſhare, though not in the plunder, yet in the appointment of the plunderers of India; the court of directors, though they make that appointment, being neceſſarily more or leſs under the influence of the proprietors, who not only elect thoſe directors, but ſometimes over-rule the appointments of their ſervants in India. Provided he can enjoy this influence for a few years, and thereby provide for a certain number of his friends, he frequently

cares little about the dividend, or even about the value of the ſtock upon which his vote is founded. About the proſperity of the great empire, in the government of which that vote gives him a ſhare, he ſeldom cares at all. No other ſovereigns ever were, or, from the nature of things, ever could be, ſo perfectly indifferent about the happineſs or miſery of their ſubjects, the improvement or waſte of their dominions, the glory or diſgrace of their adminiſtration; as, from irreſiſtible moral cauſes, the greater part of the proprietors of ſuch a mercantile company are, and neceſſarily muſt be. This indifference too was more likely to be increaſed than diminiſhed by ſome of the new regulations, which were made in conſequence of the parliamentary inquiry. By a reſolution of the Houſe of Commons, for example, it was declared, that when the fourteen hundred thouſand pounds lent to the company by government ſhould be paid, and their bond-debts be reduced to fifteen hundred thouſand pounds, they might then, and not till then, divide eight per cent. upon their capital; and that whatever remained of their revenues and neat profits at home, ſhould be divided into four parts; three of them to be paid into the exchequer for the uſe of the public, and the fourth to be reſerved as a fund, either for the further reduction of their bond-debts, or for the diſcharge of other contingent exigencies, which the company might labor under. But if the company were bad ſtewards, and bad ſovereigns, when the whole of their nett revenue and profits belonged to themſelves, and were at their own diſpoſal,

they were ſurely not likely to be better, when three-fourths of them were to belong to other people, and the other fourth, though to be laid out for the benefit of the company, yet to be ſo, under the inſpection, and with the approbation, of other people.

It might be more agreeable to the company that their own ſervants and dependants ſhould have either the pleaſure of waſting, or the profit of embezzling whatever ſurplus might remain, after paying the propoſed dividend of eight per cent., than that it ſhould come into the hands of a ſet of people with whom thoſe reſolutions could ſcarce fail to ſet them, in ſome meaſure, at variance. The intereſt of thoſe ſervants and dependants might ſo far predominate in the court of proprietors, as ſometimes to diſpoſe it to ſupport the authors of depredations which had been committed, in direct violation of its own authority. With the majority of proprietors, the ſupport even of the authority of their own court might ſometimes be a matter of leſs conſequence, than the ſupport of thoſe who had ſet that authority at defiance.

The regulations of 1773, accordingly, did not put an end to the diſorders of the company's government in India. Notwithſtanding that, during a momentary fit of good conduct, they had at one time collected, into the treaſury of Calcutta, more than three millions ſterling; notwithſtanding that they had afterwards extended, either their dominion, or their depredations, over a vaſt acceſſion of ſome of the richeſt and moſt fertile countries in India; all was waſted and deſtroyed. They found themſelves

altogether unprepared to ſtop or reſiſt the incurſion of Hyder Ali; and, in conſequence of thoſe diſorders, the company is now (1784) in greater diſtreſs than ever; and, in order to prevent immediate bankruptcy, is once more reduced to ſupplicate the aſſiſtance of government. Different plans have been propoſed by the different parties in parliament, for the better management of its affairs. And all thoſe plans ſeem to agree in ſuppoſing, what was indeed always abundantly evident, that it is altogether unfit to govern its territorial poſſeſſions. Even the company itſelf ſeems to be convinced of its own incapacity ſo far, and ſeems, upon that account, willing to give them up to government.

With the right of poſſeſſing forts and garriſons in diſtant and barbarous countries, is neceſſarily connected the right of making peace and war in thoſe countries. The joint ſtock companies which have had the one right, have conſtantly exerciſed the other, and have frequently had it expreſsly conferred upon them. How unjuſtly, how capriciouſly, how cruelly they have commonly exerciſed it, is too well known from recent experience.

When a company of merchants undertake, at their own riſk and expenſe, to eſtabliſh a new trade with ſome remote and barbarous nation, it may not be unreaſonable to incorporate them into a joint ſtock company, and to grant them, in caſe of their ſucceſs, a monopoly of the trade for a certain number of years. It is the eaſieſt and moſt natural way in which the ſtate can recompenſe them for hazarding a dangerous and expenſive

experiment, of which the public is afterwards to reap the benefit. A temporary monopoly of this kind may be vindicated upon the ſame principles upon which a like monopoly of a new machine is granted to its inventor, and that of a new book to its author. But upon the expiration of the term, the monopoly ought certainly to determine; the forts and garriſons, if it was found neceſſary to eſtabliſh any, to be taken into the hands of government, their value to be paid to the company, and the trade to be laid open to all the ſubjects of the ſtate. By a perpetual monopoly, all the other ſubjects of the ſtate are taxed very abſurdly in two different ways; firſt, by the high price of goods, which, in the caſe of a free trade, they could buy much cheaper, and, ſecondly, by their total excluſion from a branch of buſineſs, which it might be both convenient and profitable for many of them to carry on. It is for the moſt worthleſs of all purpoſes too that they are taxed in this manner. It is merely to enable the company to ſupport the negligence, profuſion, and malverſation of their own ſervants, whoſe diſorderly conduct ſeldom allows the dividend of the company to exceed the ordinary rate of profit in trades which are altogether free, and very frequently makes it fall even a good deal ſhort of that rate. Without a monopoly, however, a joint ſtock company, it would appear from experience, cannot long carry on any branch of foreign trade. To buy in one market, in order to ſell, with profit, in another, when there are many competitors in both; to watch over, not only

the occaſional variations in the demand, but the much greater and more frequent variations in the competition, or in the ſupply which that demand is likely to get from other people, and to ſuit with dexterity and judgment both the quantity and quality of each aſſortment of goods to all theſe circumſtances, is a ſpecies of warfare of which the operations are continually changing, and which can ſcarce ever be conducted ſucceſsfully, without ſuch an unremitting exertion of vigilance and attention, as cannot long be expected from the directors of a joint ſtock company. The Eaſt India Company, upon the redemption of their funds, and the expiration of their excluſive privilege, have a right, by act of parliament, to continue a corporation with a joint ſtock, and to trade in their corporate capacity to the Eaſt Indies in common with the reſt of their fellow-ſubjects. But in this ſituation, the ſuperior vigilance and attention of private adventurers would, in all probability, ſoon make them weary of the trade.

An eminent French author, of great knowledge in matters of political œconomy, the Abbé Morellet, gives a liſt of fifty-five joint ſtock companies for foreign trade, which have been eſtabliſhed in different parts of Europe ſince the year 1600, and which, according to him, have all failed from miſmanagement, notwithſtanding they had excluſive privileges. He has been miſinformed with regard to the hiſtory of two or three of them, which were not joint ſtock companies and have not failed. But, in compenſation, there have been ſeveral joint ſtock companies which have failed, and which he has omitted.

The only trades which it ſeems poſſible for a joint ſtock company to carry on ſucceſsfully, without an excluſive privilege, are thoſe, of which all the operations are capable of being reduced to what is called a Routine, or to ſuch a uniformity of method as admits of little or no variation. Of this kind is, firſt, the banking trade; ſecondly, the trade of inſurance from fire, and from ſea riſk and capture in time of war; thirdly, the trade of making and maintaining a navigable cut or canal; and, fourthly, the ſimilar trade of bringing water for the ſupply of a great city.

Though the principles of the banking trade may appear ſomewhat abſtruſe, the practice is capable of being reduced to ſtrict rules. To depart upon any occaſion from thoſe rules, in conſequence of ſome flattering ſpeculation of extraordinary gain, is almoſt always extremely dangerous, and frequently fatal to the banking company which attempts it. But the conſtitution of joint ſtock companies renders them in general more tenacious of eſtabliſhed rules than any private copartnery. Such companies, therefore, ſeem extremely well fitted for this trade. The principal banking companies in Europe, accordingly, are joint ſtock companies, many of which manage their trade very ſucceſsfully without any excluſive privilege. The Bank of England has no other excluſive privilege, except that no other banking company in England ſhall conſiſt of more than ſix perſons. The two banks of Edinburgh are joint ſtock companies without any excluſive privilege.

The value of the riſk, either from fire, or from loſs by ſea, or by capture, though it cannot, perhaps, be calculated very exactly, admits, however, of ſuch a groſs eſtimation as renders it, in ſome degree, reducible to ſtrict rule and method. The trade of inſurance, therefore, may be carried on ſucceſsfully by a joint ſtock company, without any excluſive privilege. Neither the London Aſſurance, nor the Royal Exchange Aſſurance companies, have any ſuch privilege.

When a navigable cut or canal has been once made, the management of it becomes quite ſimple and eaſy, and it is reducible to ſtrict rule and method. Even the making of it is ſo, as it may be contracted for with undertakers at ſo much a mile, and ſo much a lock. The ſame thing may be ſaid of a canal, an aqueduct, or a great pipe for bringing water to ſupply a great city. Such undertakings, therefore, may be, and accordingly frequently are, very ſucceſsfully managed by joint ſtock companies without any excluſive privilege.

To eſtabliſh a joint ſtock company, however, for any undertaking, merely becauſe ſuch a company might be capable of managing it ſucceſsfully; or to exempt a particular ſet of dealers from ſome of the general laws which take place with regard to all their neighbours, merely becauſe they might be capable of thriving if they had ſuch an exemption, would certainly not be reaſonable. To render ſuch an eſtabliſhment perfectly reaſonable, with the circumſtance of being reducible to ſtrict rule and method, two other circumſtances ought to concur. Firſt, it

ought to appear with the clearest evidence, that the undertaking is of greater and more general utility than the greater part of common trades; and secondly, that it requires a greater capital than can easily be collected into a private copartnery. If a moderate capital were sufficient, the great utility of the undertaking would not be a sufficient reason for establishing a joint stock company; because, in this case, the demand for what it was to produce, would readily and easily be supplied by private adventurers. In the four trades above-mentioned, both those circumstances concur.

The great and general utility of the banking trade when prudently managed, has been fully explained in the second book of this inquiry. But a public bank which is to support public credit, and upon particular emergencies to advance to government the whole produce of a tax, to the amount, perhaps, of several millions, a year or two before it comes in, requires a greater capital than can easily be collected into any private copartnery.

The trade of insurance gives great security to the fortunes of private people, and by dividing among a great many that loss which would ruin an individual, makes it fall light and easy upon the whole society. In order to give this security, however, it is necessary that the insurers should have a very large capital. Before the establishment of the two joint stock companies for insurance in London, a list, it is said, was laid before the attorney-general, of one hundred and fifty private insurers who had failed in the course of a few years.

That navigable cuts and canals, and the works which are fometimes neceffary for fupplying a great city with water, are of great and general utility; while at the fame time they frequently require a greater expenfe than fuits the fortunes of private people, is fufficiently obvious.

Except the four trades above-mentioned, I have not been able to recollect any other in which all the three circumftances, requifite for rendering reafonable the eftablifhment of a joint ftock company, concur. The Englifh copper company of London, the lead fmelting company, the glafs grinding company, have not even the pretext of any great or fingular utility in the object which they purfue; nor does the purfuit of that object feem to require any expenfe unfuitable to the fortunes of many private men. Whether the trade which thofe companies carry on, is reducible to fuch ftrict rule and method as to render it fit for the management of a joint ftock company, or whether they have any reafon to boaft of their extraordinary profits, I do not pretend to know. The mine-adventurers company has been long ago bankrupt. A fhare in the ftock of the Britifh Linen company of Edinburgh fells, at prefent, very much below par, though lefs fo than it did fome years ago. The joint ftock companies, which are eftablifhed for the public fpirited purpofe of promoting fome particular manufacture, over and above managing their own affairs ill, to the diminution of the general ftock of the fociety, can in other refpects fcarce ever fail to do more harm than good. Notwithftanding the moft upright intentions, the

unavoidable partiality of their directors to particular branches of the manufacture, of which the undertakers mislead and impose upon them, is a real discouragement to the rest, and necessarily breaks, more or less, that natural proportion which would otherwise establish itself between judicious industry and profit, and which, to the general industry of the country, is of all encouragements the greatest and the most effectual.

ARTICLE II.

Of the Expense of the Institutions for the Education of Youth.

THE institutions for the education of the youth may, in the same manner, furnish a revenue sufficient for defraying their own expense. The fee or honorary which the scholar pays to the master naturally constitutes a revenue of this kind.

Even where the reward of the master does not arise altogether from this natural revenue, it still is not necessary that it should be derived from that general revenue of the society, of which the collection and application is, in most countries, assigned to the executive power. Through the greater part of Europe, accordingly, the endowment of schools and colleges makes either no charge upon that general revenue, or but a very small one. It every where arises chiefly from some local and provincial revenue, from the rent of some landed estate, or from the interest of some sum of money allotted and put under the management of trustees for this particular purpose, sometimes by the sovereign himself, and sometimes by some private donor.

Have thofe public endowments contributed in general to promote the end of their inftitution? Have they contributed to encourage the diligence, and to improve the abilities of the teachers? Have they directed the courfe of education towards objects more ufeful, both to the individual and to the public, than thofe to which it would naturally have gone of its own accord? It fhould not feem very difficult to give at leaft a probable anfwer to each of thofe queftions.

In every profeffion, the exertion of the greater part of thofe who exercife it, is always in proportion to the neceffity they are under of making that exertion. This neceffity is greateft with thofe to whom the emoluments of their profeffion are the only fource from which they expect their fortune, or even their ordinary revenue and fubfiftence. In order to acquire this fortune, or even to get this fubfiftence, they muft, in the courfe of a year, execute a certain quantity of work of a known value; and, where the competition is free, the rivalfhip of competitors, who are all endeavouring to juftle one another out of employment, obliges every man to endeavour to execute his work with a certain degree of exactnefs. The greatnefs of the objects which are to be acquired by fuccefs in fome particular profeffions may, no doubt, fometimes animate the exertion of a few men of extraordinary fpirit and ambition. Great objects, however, are evidently not neceffary in order to occafion the greateft exertions. Rivalfhip and emulation render excellency, even in mean profeffions, an object of

ambition, and frequently occasion the very greatest exertions. Great objects, on the contrary, alone and unsupported by the necessity of application, have seldom been sufficient to occasion any considerable exertion. In England, success in the profession of the law leads to some very great objects of ambition; and yet how few men, born to easy fortunes, have ever in this country been eminent in that profession!

The endowments of schools and colleges have necessarily diminished more or less the necessity of application in the teachers. Their subsistence, so far as it arises from their salaries, is evidently derived from a fund altogether independent of their success and reputation in their particular professions.

In some universities the salary makes but a part, and frequently but a small part of the emoluments of the teacher, of which the greater part arises from the honoraries or fees of his pupils. The necessity of application, though always more or less diminished, is not in this case entirely taken away. Reputation in his profession is still of some importance to him, and he still has some dependency upon the affection, gratitude, and favorable report of those who have attended upon his instructions; and these favorable sentiments he is likely to gain in no way so well as by deserving them, that is, by the abilities and diligence with which he discharges every part of his duty.

In other universities the teacher is prohibited from receiving any honorary or fee from his pupils,

and his ſalary conſtitutes the whole of the revenue which he derives from his office. His intereſt is, in this caſe, ſet as directly in oppoſition to his duty as it is poſſible to ſet it. It is the intereſt of every man to live as much at his eaſe as he can; and if his emoluments are to be preciſely the ſame, whether he does, or does not perform ſome very laborious duty, it is certainly his intereſt, at leaſt as intereſt is vulgarly underſtood, either to neglect it altogether, or, if he is ſubject to ſome authority which will not ſuffer him to do this, to perform it in as careleſs and ſlovenly a manner as that authority will permit. If he is naturally active and a lover of labor, it is his intereſt to employ that activity in any way, from which he can derive ſome advantage, rather than in the performance of his duty, from which he can derive none.

If the authority to which he is ſubject reſides in the body corporate, the college, or univerſity, of which he himſelf is a member, and in which the greater part of the other members are, like himſelf, perſons who either are, or ought to be teachers; they are likely to make a common cauſe, to be all very indulgent to one another, and every man to conſent that his neighbour may neglect his duty, provided he himſelf is allowed to neglect his own. In the univerſity of Oxford, the greater part of the public profeſſors have, for theſe many years, given up altogether even the pretence of teaching.

If the authority to which he is ſubject reſides, not ſo much in the body corporate of which he

is a member, as in ſome other extraneous perſons, in the biſhop of the dioceſe for example; in the governor of the province; or, perhaps, in ſome miniſter of ſtate; it is not indeed in this caſe very likely that he will be ſuffered to neglect his duty altogether. All that ſuch ſuperiors, however, can force him to do, is to attend upon his pupils a certain number of hours, that is to give a certain number of lectures in the week or in the year. What thoſe lectures ſhall be, muſt ſtill depend upon the diligence of the teacher; and that diligence is likely to be proportioned to the motives which he has for exerting it. An extraneous juriſdiction of this kind beſides, is liable to be exerciſed both ignorantly and capriciouſly. In its nature it is arbitrary and diſcretionary, and the perſons who exerciſe it, neither attending upon the lectures of the teacher themſelves, nor perhaps underſtanding the ſciences which it is his buſineſs to teach, are ſeldom capable of exerciſing it with judgment. From the inſolence of office too they are frequently indifferent how they exerciſe it, and are very apt to cenſure or deprive him of his office wantonly, and without any juſt cauſe. The perſon ſubject to ſuch juriſdiction is neceſſarily degraded by it, and, inſtead of being one of the moſt reſpectable, is rendered one of the meaneſt and moſt contemptible perſons in the ſociety. It is by powerful protection only that he can effectually guard himſelf againſt the bad uſage to which he is at all times expoſed; and this protection he is moſt likely to gain, not by ability

or diligence in his profeſſion, but by obſequiouſneſs to the will of his ſuperiors, and by being ready, at all times, to ſacrifice to that will the rights, the intereſt, and the honor of the body corporate of which he is a member. Whoever has attended for any conſiderable time to the adminiſtration of a French univerſity, muſt have had occaſion to remark the effects which naturally reſult from an arbitrary and extraneous juriſdiction of this kind.

Whatever forces a certain number of ſtudents to any college or univerſity, independent of the merit or reputation of the teachers, tends more or leſs to diminiſh the neceſſity of that merit or reputation.

The privileges of graduates in arts, in law, phyſic and divinity, when they can be obtained only by reſiding a certain number of years in certain univerſities, neceſſarily force a certain number of ſtudents to ſuch univerſities, independent of the merit or reputation of the teachers. The privileges of graduates are a ſort of ſtatutes of apprenticeſhip, which have contributed to the improvement of education, juſt as the other ſtatutes of apprenticeſhip have to that of arts and manufactures.

The charitable foundations of ſcholarſhips, exhibitions, burſaries, &c. neceſſarily attach a certain number of ſtudents to certain colleges, independent altogether of the merit of thoſe particular colleges. Were the ſtudents upon ſuch charitable foundations left free to chuſe

what

what college they liked beſt, ſuch liberty might perhaps contribute to excite ſome emulation among different colleges. A regulation, on the contrary, which prohibited even the independent members of every particular college from leaving it, and going to any other, without leave firſt aſked and obtained of that which they meant to abandon, would tend very much to extinguiſh that emulation.

If in each college the tutor or teacher, who was to inſtruct each ſtudent in all arts and ſciences, ſhould not be voluntarily choſen by the ſtudent, but appointed by the head of the college; and if, in caſe of neglect, inability, or bad uſage, the ſtudent ſhould not be allowed to change him for another, without leave firſt aſked and obtained; ſuch a regulation would not only tend very much to extinguiſh all emulation among the different tutors of the ſame college, but to diminiſh very much in all of them the neceſſity of diligence and of attention to their reſpective pupils. Such teachers, though very well paid by their ſtudents, might be as much diſpoſed to neglect them, as thoſe who are not paid by them at all, or who have no other recompence but their ſalary.

If the teacher happens to be a man of ſenſe, it muſt be an unpleaſant thing to him to be conſcious, while he is lecturing his ſtudents, that he is either ſpeaking or reading nonſenſe, or what is very little better than nonſenſe. It muſt too be unpleaſant to him to obſerve that the greater part of his ſtudents deſert his lectures; or perhaps attend upon them with plain enough marks of neglect, contempt,

and derifion. If he is obliged, therefore, to give a certain number of lectures, thefe motives alone, without any other intereft, might difpofe him to take fome pains to give tolerably good ones. Several different expedients, however, may be fallen upon, which will effectually blunt the edge of all thofe incitements to diligence. The teacher, inftead of explaining to his pupils himfelf the fcience in which he propofes to inftruct them, may read fome book upon it; and if this book is written in a foreign and dead language, by interpreting it to them into their own; or, what would give him ftill lefs trouble, by making them interpret it to him, and by now and then making an occafional remark upon it, he may flatter himfelf that he is giving a lecture. The flighteft degree of knowledge and application will enable him to do this, without expofing himfelf to contempt or derifion, or faying any thing that is really foolifh, abfurd, or ridiculous. The difcipline of the college, at the fame time, may enable him to force all his pupils to the moft regular attendance upon this fham-lecture, and to maintain the moft decent and refpectful behaviour during the whole time of the performance.

The difcipline of colleges and univerfities is in general contrived, not for the benefit of the ftudents, but for the intereft, or more properly fpeaking, for the eafe of the mafters. Its object is, in all cafes, to maintain the authority of the mafter, and whether he neglects or performs his duty, to oblige the ftudents in all cafes to behave to him as

if he performed it with the greateſt diligence and ability. It ſeems to preſume perfect wiſdom and virtue in the one order, and the greateſt weakneſs and folly in the other. Where the maſters, however, really perform their duty, there are no examples, I believe, that the greater part of the ſtudents ever neglect theirs. No diſcipline is ever requiſite to force attendance upon lectures which are really worth the attending, as is well known wherever any ſuch lectures are given. Force and reſtraint may, no doubt, be in ſome degree requiſite in order to oblige children, or very young boys, to attend to thoſe parts of education which it is thought neceſſary for them to acquire during that early period of life; but after twelve or thirteen years of age, provided the maſter does his duty, force or reſtraint can ſcarce ever be neceſſary to carry on any part of education. Such is the generoſity of the greater part of young men, that ſo far from being diſpoſed to neglect or deſpiſe the inſtructions of their maſter, provided he ſhows ſome ſerious intention of being of uſe to them, they are generally inclined to pardon a great deal of incorrectneſs in the performance of his duty, and ſometimes even to conceal from the public a good deal of groſs negligence.

Thoſe parts of education, it is to be obſerved, for the teaching of which there are no public inſtitutions, are generally the beſt taught. When a young man goes to a fencing or a dancing ſchool, he does not indeed always learn to fence or to dance very well; but he ſeldom fails of learning

to fence or to dance. The good effects of the riding ſchool are not commonly ſo evident. The expenſe of a riding ſchool is ſo great, that in moſt places it is a public inſtitution. The three moſt eſſential parts of literary education, to read, write, and account, it ſtill continues to be more common to acquire in private than in public ſchools; and it very ſeldom happens that any body fails of acquiring them to the degree in which it is neceſſary to acquire them.

In England the public ſchools are much leſs corrupted than the univerſities. In the ſchools the youth are taught, or at leaſt may be taught, Greek and Latin; that is, every thing which the maſters pretend to teach, or which, it is expected, they ſhould teach. In the univerſities the youth neither are taught, nor always can find any proper means of being taught, the ſciences, which it is the buſineſs of thoſe incorporated bodies to teach. The reward of the ſchoolmaſter in moſt caſes depends principally, in ſome caſes almoſt entirely, upon the fees or honoraries of his ſcholars. Schools have no excluſive privileges. In order to obtain the honors of graduation, it is not neceſſary that a perſon ſhould bring a certificate of his having ſtudied a certain number of years at a public ſchool. If upon examination he appears to underſtand what is taught there, no queſtions are aſked about the place where he learnt it.

The parts of education which are commonly taught in univerſities, it may, perhaps, be ſaid are not very well taught. But had it not been for

thofe inftitutions they would not have been commonly taught at all, and both the individual and the public would have fuffered a good deal from the want of thofe important parts of education.

The prefent univerfities of Europe were originally, the greater part of them, ecclefiaftical corporations; inftituted for the education of churchmen. They were founded by the authority of the pope, and were fo entirely under his immediate protection, that their members, whether mafters or ftudents, had all of them what was then called the benefit of clergy, that is, were exempted from the civil jurifdiction of the countries in which their refpective univerfities were fituated, and were amenable only to the ecclefiaftical tribunals. What was taught in the greater part of thofe univerfities was fuitable to the end of their inftitution, either theology, or fomething that was merely preparatory to theology.

When chriftianity was firft eftablifhed by law, a corrupted Latin had become the common language of all the weftern parts of Europe. The fervice of the church accordingly, and the tranflation of the Bible which was read in churches, were both in that corrupted Latin; that is, in the common language of the country. After the irruption of the barbarous nations who overturned the Roman empire, Latin gradually ceafed to be the language of any part of Europe. But the reverence of the people naturally preferves the eftablifhed forms and ceremonies of religion, long after the circumftances which firft introduced and rendered them reafonable are no more. Though Latin, therefore, was no

longer underſtood any where by the great body of the people, the whole ſervice of the church ſtill continued to be performed in that language. Two different languages were thus eſtabliſhed in Europe, in the ſame manner as in ancient Egypt; a language of the prieſts, and a language of the people; a ſacred and a profane; a learned and an unlearned language. But it was neceſſary that the prieſts ſhould underſtand ſomething of that ſacred and learned language in which they were to officiate; and the ſtudy of the Latin language therefore made, from the beginning, an eſſential part of univerſity education.

It was not ſo with that either of the Greek, or of the Hebrew language. The infallible decrees of the church had pronounced the Latin tranſlation of the Bible, commonly called the Latin Vulgate, to have been equally dictated by divine inſpiration, and therefore of equal authority with the Greek and Hebrew originals. The knowledge of thoſe two languages, therefore, not being indiſpenſably requiſite to a churchman, the ſtudy of them did not for a long time make a neceſſary part of the common courſe of univerſity education. There are ſome Spaniſh univerſities, I am aſſured, in which the ſtudy of the Greek language has never yet made any part of that courſe. The firſt reformers found the Greek text of the new teſtament, and even the Hebrew text of the old, more favorable to their opinions, than the vulgate tranſlation, which, as might naturally be ſuppoſed, had been gradually accommodated to ſupport the doctrines

of the catholic church. They ſet themſelves, therefore, to expoſe the many errors of that tranſlation, which the Roman catholic clergy were thus put under the neceſſity of defending or explaining. But this could not well be done without ſome knowledge of the original languages, of which the ſtudy was therefore gradually introduced into the greater part of univerſities; both of thoſe which embraced, and of thoſe which rejected, the doctrines of the reformation. The Greek language was connected with every part of that claſſical learning, which, though at firſt principally cultivated by catholics and Italians, happened to come into faſhion much about the ſame time that the doctrines of the reformation were ſet on foot. In the greater part of univerſities, therefore, that language was taught previous to the ſtudy of philoſophy, and as ſoon as the ſtudent had made ſome progreſs in the Latin. The Hebrew language having no connexion with claſſical learning, and, except the holy ſcriptures, being the language of not a ſingle book in any eſteem, the ſtudy of it did not commonly commence till after that of philoſophy, and when the ſtudent had entered upon the ſtudy of theology.

Originally the firſt rudiments both of the Greek and Latin languages were taught in univerſities, and in ſome univerſities they ſtill continue to be ſo. In others it is expected that the ſtudent ſhould have previouſly acquired at leaſt the rudiments of one or both of thoſe languages, of which the

ſtudy continues to make every where a very conſiderable part of univerſity education.

The ancient Greek philoſophy was divided into three great branches; phyſics, or natural philoſophy; ethics, or moral philoſophy; and logic. This general diviſion ſeems perfectly agreeable to the nature of things.

The great phenomena of nature, the revolutions of the heavenly bodies, eclipſes, comets, thunder, lightning, and other extraordinary meteors; the generation, the life, growth, and diſſolution of plants and animals; are objects which, as they neceſſarily excite the wonder, ſo they naturally call forth the curioſity, of mankind to inquire into their cauſes. Superſtition firſt attempted to ſatisfy this curioſity, by referring all thoſe wonderful appearances to the immediate agency of the gods. Philoſophy afterwards endeavoured to account for them, from more familiar cauſes, or from ſuch as mankind were better acquainted with, than the agency of the gods. As thoſe great phenomena are the firſt objects of human curioſity, ſo the ſcience which pretends to explain them muſt naturally have been the firſt branch of philoſophy that was cultivated. The firſt philoſophers, accordingly, of whom hiſtory has preſerved any account, appear to have been natural philoſophers.

In every age and country of the world men muſt have attended to the characters, deſigns, and actions of one another, and many reputable rules and maxims for the conduct of human life, muſt have been laid down and approved of by

common confent. As foon as writing came into fafhion, wife men, or thofe who fancied themfelves fuch, would naturally endeavour to increafe the number of thofe eftablifhed and refpected maxims, and to exprefs their own fenfe of what was either proper or improper conduct, fometimes in the more artificial form of apologues, like what are called the fables of Æfop; and fometimes in the more fimple one of apophthegms, or wife fayings, like the Proverbs of Solomon, the verfes of Theognis and Phocyllides, and fome part of the works of Hefiod. They might continue in this manner for a long time merely to multiply the number of thofe maxims of prudence and morality, without even attempting to arrange them in any very diftinct or methodical order, much lefs to connect them together by one or more general principles, from which they were all deducible, like effects from their natural caufes. The beauty of a fyftematical arrangement of different obfervations connected by a few common principles, was firft feen in the rude effays of thofe ancient times towards a fyftem of natural philofophy. Something of the fame kind was afterwards attempted in morals. The maxims of common life were arranged in fome methodical order, and connected together by a few common principles, in the fame manner as they had attempted to arrange and connect the phenomena of nature. The fcience which pretends to inveftigate and explain thofe connecting principles, is what is properly called moral philofophy.

Different authors gave different fyftems both of natural and moral philofophy. But the arguments by which they fupported thofe different fyftems, far from being always demonftrations, were frequently at beft but very flender probabilities, and fometimes mere fophifms, which had no other foundation but the inaccuracy and ambiguity of common language. Speculative fyftems have in all ages of the world been adopted for reafons too frivolous to have determined the judgment of any man of common fenfe, in a matter of the fmalleft pecuniary intereft. Grofs fophiftry has fcarce ever had any influence upon the opinions of mankind, except in matters of philofophy and fpeculation; and in thefe it has frequently had the greateft. The patrons of each fyftem of natural and moral philofophy naturally endeavoured to expofe the weaknefs of the arguments adduced to fupport the fyftems which were oppofite to their own. In examining thofe arguments, they were neceffarily led to confider the difference between a probable and a demonftrative argument, between a fallacious and a conclufive one; and Logic, or the fcience of the general principles of good and bad reafoning, neceffarily arofe out of the obfervations which a fcrutiny of this kind gave occafion to. Though in its origin, pofterior both to phyfics and to ethics, it was commonly taught, not indeed in all, but in the greater part of the ancient fchools of philofophy, previoufly to either of thofe fciences. The ftudent, it feems to have been thought, ought to underftand well the difference between

good and bad reaſoning, before he was led to reaſon upon ſubjects of ſo great importance.

This ancient diviſion of philoſophy into three parts was in the greater part of the univerſities of Europe, changed for another into five.

In the ancient philoſophy, whatever was taught concerning the nature either of the human mind or of the Deity, made a part of the ſyſtem of phyſics. Thoſe beings, in whatever their eſſence might be ſuppoſed to conſiſt, were parts of the great ſyſtem of the univerſe, and parts too productive of the moſt important effects. Whatever human reaſon could either conclude, or conjecture, concerning them, made, as it were, two chapters, though no doubt two very important ones, of the ſcience which pretended to give an account of the origin and revolutions of the great ſyſtem of the univerſe. But in the univerſities of Europe, where philoſophy was taught only as ſubſervient to theology, it was natural to dwell longer upon theſe two chapters than upon any other of the ſcience. They were gradually more and more extended, and were divided into many inferior chapters, till at laſt the doctrine of ſpirits, of which ſo little can be known, came to take up as much room in the ſyſtem of philoſophy as the doctrine of bodies, of which ſo much can be known. The doctrines concerning thoſe two ſubjects were conſidered as making two diſtinct ſciences. What are called Metaphyſics or Pneumatics were ſet in oppoſition to Phyſics, and were cultivated not only as the more ſublime, but, for

the purpoſes of a particular profeſſion, as the more uſeful ſcience of the two. The proper ſubject of experiment and obſervation, a ſubject in which a careful attention is capable of making ſo many uſeful diſcoveries, was almoſt entirely neglected. The ſubject in which, after a few very ſimple and almoſt obvious truths, the moſt careful attention can diſcover nothing but obſcurity and uncertainty, and can conſequently produce nothing but ſubtleties and ſophiſms, was greatly cultivated.

When thoſe two ſciences had thus been ſet in oppoſition to one another, the compariſon between them naturally gave birth to a third, to what was called Ontology, or the ſcience which treated of the qualities and attributes which were common to both the ſubjects of the other two ſciences. But if ſubtleties and ſophiſms compoſed the greater part of the Metaphyſics or Pneumatics of the ſchools, they compoſed the whole of this cobweb ſcience of Ontology, which was likewiſe ſometimes called Metaphyſics.

Wherein conſiſted the happineſs and perfection of a man, conſidered not only as an individual, but as the member of a family, of a ſtate, and of the great ſociety of mankind, was the object which the ancient moral philoſophy propoſed to inveſtigate. In that philoſophy the duties of human life were treated of as ſubſervient to the happineſs and perfection of human life. But when moral, as well as natural philoſophy, came to be taught only as ſubſervient to theology, the duties of human life were treated of as chiefly

ſubſervient to the happineſs of a life to come. In the ancient philoſophy the perfection of virtue was repreſented as neceſſarily productive, to the perſon who poſſeſſed it, of the moſt perfect happineſs in this life. In the modern philoſophy it was frequently repreſented as generally, or rather as almoſt always inconſiſtent with any degree of happineſs in this life; and heaven was to be earned only by penance and mortification, by the auſterities and abaſement of a monk; not by the liberal, generous, and ſpirited conduct of a man. Caſuiſtry and an aſcetic morality made up, in moſt caſes, the greater part of the moral philoſophy of the ſchools. By far the moſt important of all the different branches of philoſophy, became in this manner by far the moſt corrupted.

Such, therefore, was the common courſe of philoſophical education in the greater part of the univerſities in Europe. Logic was taught firſt: Ontology came in the ſecond place: Pneumatology, comprehending the doctrine concerning the nature of the human ſoul and of the Deity in the third: In the fourth followed a debaſed ſyſtem of moral philoſophy, which was conſidered as immediately connected with the doctrines of Pneumatology, with the immortality of the human ſoul, and with the rewards and puniſhments which, from the juſtice of the Deity, were to be expected in a life to come: A ſhort and ſuperficial ſyſtem of Phyſics uſually concluded the courſe.

The alterations which the univerſities of Europe thus introduced into the ancient courſe of philoſophy, were all meant for the education of

ecclefiaftics, and to render it a more proper introduction to the ftudy of theology. But the additional quantity of fubtlety and fophiftry; the cafuiftry and the afcetic morality which thofe alterations introduced into it, certainly did not render it more proper for the education of gentlemen or men of the world, or more likely either to improve the underftanding, or to mend the heart.

This courfe of philofophy is what ftill continues to be taught in the greater part of the univerfities of Europe; with more or lefs diligence, according as the conftitution of each particular univerfity happens to render diligence more or lefs neceffary to the teachers. In fome of the richeft and beft endowed univerfities, the tutors content themfelves with teaching a few unconnected fhreds and parcels of this corrupted courfe; and even thefe they commonly teach very negligently and fuperficially.

The improvements which, in modern times, have been made in feveral different branches of philofophy, have not, the greater part of them, been made in univerfities; though fome no doubt have. The greater part of univerfities have not even been very forward to adopt thofe improvements, after they were made; and feveral of thofe learned focieties have chofen to remain, for a long time, the fanctuaries in which exploded fyftems and obfolete prejudices found fhelter and protection, after they had been hunted out of every other corner of the world. In general, the richeft and beft endowed univerfities have

been the floweft in adopting thofe improvements, and the moft averfe to permit any confiderable change in the eftablifhed plan of education. Thofe improvements were more eafily introduced into fome of the poorer univerfities, in which the teachers, depending upon their reputation for the greater part of their fubfiftence, were obliged to pay more attention to the current opinions of the world.

But though the public fchools and univerfities of Europe were originally intended only for the education of a particular profeffion, that of churchmen; and though they were not always very diligent in inftructing their pupils even in the fciences which were fuppofed neceffary for that profeffion, yet they gradually drew to themfelves the education of almoft all other people, particularly of almoft all gentlemen and men of fortune. No better method, it feems, could be fallen upon of fpending, with any advantage, the long interval between infancy and that period of life at which men begin to apply in good earneft to the real bufinefs of the world, the bufinefs which is to employ them during the remainder of their days. The greater part of what is taught in fchools and univerfities, however, does not feem to be the moft proper preparation for that bufinefs.

In England, it becomes every day more and more the cuftom to fend young people to travel in foreign countries immediately upon their leaving fchool, and without fending them to any univerfity. Our young people, it is faid, generally

return home much improved by their travels. A young man who goes abroad at feventeen or eighteen, and returns home at one-and-twenty, returns three or four years older than he was when he went abroad; and at that age it is very difficult not to improve a good deal in three or four years. In the courfe of his travels, he generally acquires fome knowledge of one or two foreign languages; a knowledge, however, which is feldom fufficient to enable him either to fpeak or write them with propriety. In other refpects, he commonly returns home more conceited, more unprincipled, more diffipated, and more incapable of any ferious application either to ftudy or to bufinefs, than he could well have become in fo fhort a time, had he lived at home. By travelling fo very young, by fpending in the moft frivolous diffipation the moft precious years of his life, at a diftance from the infpection and control of his parents and relations, every ufeful habit, which the earlier parts of his education might have had fome tendency to form in him, inftead of being rivetted and confirmed, is almoft neceffarily either weakened or effaced. Nothing but the difcredit into which the univerfities are allowing themfelves to fall, could ever have brought into repute fo very abfurd a practice as that of travelling at this early period of life. By fending his fon abroad, a father delivers himfelf, at leaft for fome time, from fo difagreeable an object as that of a fon unemployed, neglected, and going to ruin before his eyes.

Such

Such have been the effects of some of the modern institutions for education.

Different plans and different institutions for education seem to have taken place in other ages and nations.

In the republics of ancient Greece, every free citizen was instructed, under the direction of the public magistrate, in gymnastic exercises and in music. By gymnastic exercises it was intended to harden his body, to sharpen his courage, and to prepare him for the fatigues and dangers of war; and as the Greek militia was, by all accounts, one of the best that ever was in the world, this part of their public education must have answered compleatly the purpose for which it was intended. By the other part, music, it was proposed, at least by the philosophers and historians who have given us an account of those institutions, to humanize the mind, to soften the temper, and to dispose it for performing all the social and moral duties both of public and private life.

In ancient Rome the exercises of the Campus Martius answered the same purpose as those of the Gymnazium in ancient Greece, and they seem to have answered it equally well. But among the Romans there was nothing which corresponded to the musical education of the Greeks. The morals of the Romans, however, both in private and public life, seem to have been, not only equal, but, upon the whole, a good deal superior to those of the Greeks. That they were superior in private life, we have the express testimony of Polybius and of Dionysius of

Halicarnaſſus, two authors well acquainted with both nations; and the whole tenor of the Greek and Roman hiſtory bears witneſs to the ſuperiority of the public morals of the Romans. The good temper and moderation of contending factions ſeems to be the moſt eſſential circumſtance in the public morals of a free people. But the factions of the Greeks were almoſt always violent and ſanguinary; whereas, till the time of the Gracchi, no blood had ever been ſhed in any Roman faction; and from the time of the Gracchi the Roman republic may be conſidered as in reality diſſolved. Notwithſtanding, therefore, the very reſpectable authority of Plato, Ariſtotle, and Polybius, and notwithſtanding the very ingenious reaſons by which Mr. Monteſquieu endeavours to ſupport that authority, it ſeems probable that the muſical education of the Greeks had no great effect in mending their morals, ſince, without any ſuch education, thoſe of the Romans were upon the whole ſuperior. The reſpect of thoſe ancient ſages for the inſtitutions of their anceſtors, had probably diſpoſed them to find much political wiſdom in what was, perhaps, merely an ancient cuſtom, continued, without interruption, from the earlieſt period of thoſe ſocieties, to the times in which they had arrived at a conſiderable degree of refinement. Muſic and dancing are the great amuſements of almoſt all barbarous nations, and the great accompliſhments which are ſuppoſed to fit any man for entertaining his ſociety. It is ſo at this day among the negroes on the coaſt of Africa. It was ſo among the

ancient Celtes, among the ancient Scandinavians, and, as we may learn from Homer, among the ancient Greeks in the times preceding the Trojan war. When the Greek tribes had formed themfelves into little republics, it was natural that the ftudy of thofe accomplifhments fhould, for a long time, make a part of the public and common education of the people.

The mafters who inftructed the young people either in mufic or in military exercifes, do not feem to have been paid, or even appointed by the ftate, either in Rome or even in Athens, the Greek republic of whofe laws and cuftoms we are the beft informed. The ftate required that every free citizen fhould fit himfelf for defending it in war, and fhould, upon that account, learn his military exercifes. But it left him to learn them of fuch mafters as he could find, and it feems to have advanced nothing for this purpofe, but a public field or place of exercife, in which he fhould practife and perform them.

In the early ages both of the Greek and Roman republics, the other parts of education feem to have confifted in learning to read, write, and account according to the arithmetic of the times. Thefe accomplifhments the richer citizens feem frequently to have acquired at home, by the affiftance of fome domeftic pedagogue, who was generally, either a flave, or a freed-man; and the poorer citizens, in the fchools of fuch mafters as made a trade of teaching for hire. Such parts of education, however, were abandoned altogether to the care of the parents or

guardians of each individual. It does not appear that the ſtate ever aſſumed any inſpection or direction of them. By a law of Solon, indeed, the children were acquitted from maintaining thoſe parents in their old age, who had neglected to inſtruct them in ſome profitable trade or buſineſs.

In the progreſs of refinement, when philoſophy and rhetoric came into faſhion, the better ſort of people uſed to ſend their children to the ſchools of philoſophers and rhetoricians, in order to be inſtructed in theſe faſhionable ſciences. But thoſe ſchools were not ſupported by the public. They were for a long time barely tolerated by it. The demand for philoſophy and rhetoric was for a long time ſo ſmall, that the firſt profeſſed teachers of either could not find conſtant employment in any one city, but were obliged to travel about from place to place. In this manner lived Zeno of Elea, Protagoras, Gorgias, Hippias, and many others. As the demand increaſed, the ſchools both of philoſophy and rhetoric became ſtationary; firſt in Athens, and afterwards in ſeveral other cities. The ſtate, however, ſeems never to have encouraged them further than by aſſigning to ſome of them a particular place to teach in, which was ſometimes done too by private donors. The ſtate ſeems to have aſſigned the Academy to Plato, the Lyceum to Ariſtotle, and the Portico to Zeno of Citta, the founder of the Stoics. But Epicurus bequeathed his gardens to his own ſchool. Till about the time of Marcus Antoninus, however, no teacher appears

to have had any ſalary from the public, or to have had any other emoluments, but what aroſe from the honoraries or fees of his ſcholars. The bounty which that philoſophical emperor, as we learn from Lucian, beſtowed upon one of the teachers of philoſophy, probably laſted no longer than his own life. There was nothing equivalent to the privileges of graduation, and to have attended any of thoſe ſchools was not neceſſary, in order to be permitted to practiſe any particular trade or profeſſion. If the opinion of their own utility could not draw ſcholars to them, the law neither forced any body to go to them, nor rewarded any body for having gone to them. The teachers had no juriſdiction over their pupils, nor any other authority beſides that natural authority, which ſuperior virtue and abilities never fail to procure from young people towards thoſe who are intruſted with any part of their education.

At Rome, the ſtudy of the civil law made a part of the education, not of the greater part of the citizens, but of ſome particular families. The young people, however, who wiſhed to acquire knowledge in the law, had no public ſchool to go to, and had no other method of ſtudying it, than by frequenting the company of ſuch of their relations and friends, as were ſuppoſed to underſtand it. It is perhaps worth while to remark, that though the laws of the twelve tables were, many of them, copied from thoſe of ſome ancient Greek republics, yet law never ſeems to have grown up to be a ſcience in any

republic of ancient Greece. In Rome it became a ſcience very early, and gave a conſiderable degree of illuſtration to thoſe citizens who had the reputation of underſtanding it. In the republics of ancient Greece, particularly in Athens, the ordinary courts of juſtice conſiſted of numerous, and therefore diſorderly, bodies of people, who frequently decided almoſt at random, or as clamor, faction and party ſpirit happened to determine. The ignominy of an unjuſt deciſion, when it was to be divided among five hundred, a thouſand, or fifteen hundred people (for ſome of their courts were ſo very numerous), could not fall very heavy upon any individual. At Rome, on the contrary, the principal courts of juſtice conſiſted either of a ſingle judge, or of a ſmall number of judges, whoſe characters, eſpecially as they deliberated always in public, could not fail to be very much affected by any raſh or unjuſt deciſion. In doubtful caſes, ſuch courts, from their anxiety to avoid blame, would naturally endeavour to ſhelter themſelves under the example, or precedent, of the judges who had ſat before them, either in the ſame, or in ſome other court. This attention to practice and precedent, neceſſarily formed the Roman law into that regular and orderly ſyſtem in which it has been delivered down to us; and the like attention has had the like effects upon the laws of every other country where ſuch attention has taken place. The ſuperiority of character in the Romans over that of the Greeks, ſo much remarked by Polybius and Dionyſius of Halicarnaſſus,

was probably more owing to the better conſtitution of their courts of juſtice, than to any of the circumſtances to which thoſe authors aſcribe it. The Romans are ſaid to have been particularly diſtinguiſhed for their ſuperior reſpect to an oath. But the people who were accuſtomed to make oath only before ſome diligent and well-informed court of juſtice, would naturally be much more attentive to what they ſwore, than they who were accuſtomed to do the ſame thing before mobbiſh and diſorderly aſſemblies.

The abilities, both civil and military, of the Greeks and Romans, will readily be allowed to have been, at leaſt, equal to thoſe of any modern nation. Our prejudice is perhaps rather to overrate them. But except in what related to military exerciſes, the ſtate ſeems to have been at no pains to form thoſe great abilities: for I cannot be induced to believe, that the muſical education of the Greeks could be of much conſequence in forming them. Maſters, however, had been found, it ſeems, for inſtructing the better ſort of people among thoſe nations in every art and ſcience in which the circumſtances of their ſociety rendered it neceſſary or convenient for them to be inſtructed. The demand for ſuch inſtruction produced, what it always produces, the talent for giving it; and the emulation which an unreſtrained competition never fails to excite, appears to have brought that talent to a very high degree of perfection. In the attention which the ancient philoſophers excited, in the empire which they acquired over the opinions and principles of

their auditors, in the faculty which they poffeffed of giving a certain tone and character to the conduct and converfation of thofe auditors; they appear to have been much fuperior to any modern teachers. In modern times, the diligence of public teachers is more or lefs corrupted by the circumftances, which render them more or lefs independent of their fuccefs and reputation in their particular profeffions. Their falaries too put the private teacher, who would pretend to come into competition with them, in the fame ftate with a merchant who attempts to trade without a bounty, in competition with thofe who trade with a confiderable one. If he fells his goods at nearly the fame price, he cannot have the fame profit, and poverty and beggary at leaft, if not bankruptcy and ruin, will infallibly be his lot. If he attempts to fell them much dearer, he is likely to have fo few cuftomers that his circumftances will not be much mended. The privileges of graduation, befides, are in many countries neceffary, or at leaft extremely convenient to moft men of learned profeffions; that is, to the far greater part of thofe who have occafion for a learned education. But thofe privileges can be obtained only by attending the lectures of the public teachers. The moft careful attendance upon the ableft inftructions of any private teacher, cannot always give any title to demand them. It is from thefe different caufes that the private teacher of any of the fciences which are commonly taught in univerfities, is in modern times generally confidered as in the very

loweſt order of men of letters. A man of real abilities can ſcarce find out a more humiliating or a more unprofitable employment to turn them to. The endowments of ſchools and colleges have, in this manner, not only corrupted the diligence of public teachers, but have rendered it almoſt impoſſible to have any good private ones.

Were there no public inſtitutions for education, no ſyſtem, no ſcience would be taught for which there was not ſome demand; or which the circumſtances of the times did not render it either neceſſary, or convenient, or at leaſt faſhionable, to learn. A private teacher could never find his account in teaching, either an exploded and antiquated ſyſtem of a ſcience acknowledged to be uſeful, or a ſcience univerſally believed to be a mere uſeleſs and pedantic heap of ſophiſtry and nonſenſe. Such ſyſtems, ſuch ſciences, can ſubſiſt no where, but in thoſe incorporated ſocieties for education whoſe proſperity and revenue are in a great meaſure independent of their reputation, and altogether independent of their induſtry. Were there no public inſtitutions for education, a gentleman, after going through, with application and abilities, the moſt compleat courſe of education which the circumſtances of the times were ſuppoſed to afford, could not come into the world compleatly ignorant of every thing which is the common ſubject of converſation among gentlemen and men of the world.

There are no public inſtitutions for the education of women, and there is accordingly nothing uſeleſs, abſurd, or fantaſtical in the common courſe of their education. They are taught what their parents or guardians judge it neceſſary or uſeful for them to learn; and they are taught nothing elſe. Every part of their education tends evidently to ſome uſeful purpoſe; either to improve the natural attractions of their perſon, or to form their mind to reſerve, to modeſty, to chaſtity, and to œconomy; to render them both likely to become the miſtreſſes of a family, and to behave properly when they have become ſuch. In every part of her life a woman feels ſome conveniency or advantage from every part of her education. It ſeldom happens that a man, in any part of his life, derives any conveniency or advantage from ſome of the moſt laborious and troubleſome parts of his education.

Ought the public, therefore, to give no attention, it may be aſked, to the education of the people? Or if it ought to give any, what are the different parts of education which it ought to attend to in the different orders of the people? and in what manner ought it to attend to them?

In ſome caſes the ſtate of the ſociety neceſſarily places the greater part of individuals in ſuch ſituations as naturally form in them, without any attention of government, almoſt all the abilities and virtues which that ſtate requires, or perhaps can admit of. In other caſes the ſtate of the ſociety does not place the greater part of individuals in ſuch ſituations, and ſome attention of

government is neceſſary in order to prevent the almoſt entire corruption and degeneracy of the great body of the people.

In the progreſs of the diviſion of labor the employment of the far greater part of thoſe who lived by labor, that is, of the great body of the people, comes to be confined to a few very ſimple operations; frequently to one or two. But the underſtandings of the greater part of men are neceſſarily formed by their ordinary employments. The man whoſe whole life is ſpent in performing a few ſimple operations, of which the effects too are, perhaps, always the ſame, or very nearly the ſame, has no occaſion to exert his underſtanding, or to exerciſe his invention in finding out expedients for removing difficulties which never occur. He naturally loſes, therefore, the habit of ſuch exertion, and generally becomes as ſtupid and ignorant as it is poſſible for a human creature to become. The torpor of his mind renders him, not only incapable of reliſhing or bearing a part in any rational converſation, but of conceiving any generous, noble, or tender ſentiment, and conſequently of forming any juſt judgment concerning many even of the ordinary duties of private life. Of the great and extenſive intereſts of his country he is altogether incapable of judging; and unleſs very particular pains have been taken to render him otherwiſe, he is equally incapable of defending his country in war. The uniformity of his ſtationary life naturally corrupts the courage of his mind, and makes him regard with abhorrence the irregular,

uncertain, and adventurous life of a ſoldier. It corrupts even the activity of his body, and renders him incapable of exerting his ſtrength with vigor and perſeverance, in any other employment than that to which he has been bred. His dexterity at his own particular trade ſeems, in this manner, to be acquired at the expenſe of his intellectual, ſocial, and martial virtues. But in every improved and civilized ſociety this is the ſtate into which the laboring poor, that is, the great body of the people, muſt neceſſarily fall, unleſs government takes ſome pains to prevent it.

It is otherwiſe in the barbarous ſocieties, as they are commonly called, of hunters, of ſhepherds, and even of huſbandmen in that rude ſtate of huſbandry which precedes the improvement of manufactures, and the extenſion of foreign commerce. In ſuch ſocieties the varied occupations of every man oblige every man to exert his capacity and to invent expedients for removing difficulties which are continually occurring. Invention is kept alive, and the mind is not ſuffered to fall into that drowſy ſtupidity, which, in a civilized ſociety, ſeems to benumb the underſtanding of almoſt all the inferior ranks of people. In thoſe barbarous ſocieties, as they are called, every man, it has already been obſerved, is a warrior. Every man too is in ſome meaſure a ſtateſman, and can form a tolerable judgment concerning the intereſt of the ſociety, and the conduct of thoſe who govern it. How far their chiefs are good judges in peace, or good leaders in war, is obvious to the obſervation of almoſt every ſingle

man among them. In ſuch a ſociety indeed, no man can well acquire that improved and refined underſtanding, which a few men ſometimes poſſeſs in a more civilized ſtate. Though in a rude ſociety there is a good deal of variety in the occupations of every individual, there is not a great deal in thoſe of the whole ſociety. Every man does, or is capable of doing, almoſt every thing which any other man does, or is capable of doing. Every man has a conſiderable degree of knowledge, ingenuity and invention; but ſcarce any man has a great degree. The degree, however, which is commonly poſſeſſed, is generally ſufficient for conducting the whole ſimple buſineſs of the ſociety. In a civilized ſtate, on the contrary, though there is little variety in the occupations of the greater part of individuals, there is an almoſt infinite variety in thoſe of the whole ſociety. Theſe varied occupations preſent an almoſt infinite variety of objects to the contemplation of thoſe few, who, being attached to no particular occupation themſelves, have leiſure and inclination to examine the occupations of other people. The contemplation of ſo great a variety of objects neceſſarily exerciſes their minds in endleſs compariſons and combinations, and renders their underſtandings, in an extraordinary degree, both acute and comprehenſive. Unleſs thoſe few, however, happen to be placed in ſome very particular ſituations, their great abilities, though honorable to themſelves, may contribute very little to the good government or happineſs of their ſociety. Notwithſtanding the great abilities

of thoſe few, all the nobler parts of the human character may be, in a great meaſure, obliterated and extinguiſhed in the great body of the people.

The education of the common people requires, perhaps, in a civilized and commercial ſociety, the attention of the public more than that of people of ſome rank and fortune. People of ſome rank and fortune are generally eighteen or nineteen years of age before they enter upon the particular buſineſs, profeſſion, or trade, by which they propoſe to diſtinguiſh themſelves in the world. They have before that full time to acquire, or at leaſt to fit themſelves for afterwards acquiring, every accompliſhment which can recommend them to the public eſteem, or render them worthy of it. Their parents or guardians are generally ſufficiently anxious that they ſhould be ſo accompliſhed, and are, in moſt caſes, willing enough to lay out the expenſe which is neceſſary for that purpoſe. If they are not always properly educated, it is ſeldom from the want of expenſe laid out upon their education; but from the improper application of that expenſe. It is ſeldom from the want of maſters; but from the negligence and incapacity of the maſters who are to be had, and from the difficulty, or rather from the impoſſibility which there is, in the preſent ſtate of things, of finding any better. The employments too in which people of ſome rank or fortune ſpend the greater part of their lives, are not, like thoſe of the common people, ſimple and uniform. They are almoſt all of them extremely complicated, and

ſuch as exerciſe the head more than the hands. The underſtandings of thoſe who are engaged in ſuch employments can ſeldom grow torpid for want of exerciſe. The employments of people of ſome rank and fortune, beſides, are ſeldom ſuch as haraſs them from morning to night. They generally have a good deal of leiſure, during which they may perfect themſelves in every branch either of uſeful or ornamental knowledge of which they may have laid the foundation, or for which they may have acquired ſome taſte in the earlier part of life.

It is otherwiſe with the common people. They have little time to ſpare for education. Their parents can ſcarce afford to maintain them even in infancy. As ſoon as they are able to work, they muſt apply to ſome trade by which they can earn their ſubſiſtence. That trade too is generally ſo ſimple and uniform as to give little exerciſe to the underſtanding; while, at the ſame time, their labor is both ſo conſtant and ſo ſevere, that it leaves them little leiſure and leſs inclination to apply to, or even to think of any thing elſe.

But though the common people cannot, in any civilized ſociety, be ſo well inſtructed as people of ſome rank and fortune, the moſt eſſential parts of education, however, to read, write, and account, can be acquired at ſo early a period of life, that the greater part even of thoſe who are to be bred to the loweſt occupations, have time to acquire them before they can be

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employed in thofe occupations. For a very fmall expenfe the public can facilitate, can encourage, and can even impofe upon almoft the whole body of the people, the neceffity of acquiring thofe moft effential parts of education.

The public can facilitate this acquifition by eftablifhing in every parifh or diftrict a little fchool, where children may be taught for a reward fo moderate, that even a common laborer may afford it; the mafter being partly, but not wholly paid by the public; becaufe, if he was wholly, or even principally paid by it, he would foon learn to neglect his bufinefs. In Scotland the eftablifhment of fuch parifh fchools has taught almoft the whole common people to read, and a very great proportion of them to write and account. In England the eftablifhment of charity fchools has had an effect of the fame kind, though not fo univerfally, becaufe the eftablifhment is not fo univerfal. If in thofe little fchools the books, by which the children are taught to read, were a little more inftructive than they commonly are: and if, inftead of a little fmattering of Latin, which the children of the common people are fometimes taught there, and which can fcarce ever be of any ufe to them; they were inftructed in the elementary parts of geometry and mechanics, the literary education of this rank of people would perhaps be as compleat as it can be. There is fcarce a common trade which does not afford fome opportunities of applying to it the principles of geometry and mechanics, and which would not therefore gradually exercife and

improve

improve the common people in thofe principles, the neceffary introduction to the moft fublime as well as to the moft ufeful fciences.

The public can encourage the acquifition of thofe moft effential parts of education by giving fmall premiums, and little badges of diftinction to the children of the common people who excel in them.

The public can impofe upon almoft the whole body of the people the neceffity of acquiring thofe moft effential parts of education, by obliging every man to undergo an examination or probation in them before he can obtain the freedom in any corporation, or be allowed to fet up any trade either in a village or town corporate.

It was in this manner, by facilitating the acquifition of their military and gymnaftic exercifes, by encouraging it, and even by impofing upon the whole body of the people the neceffity of learning thofe exercifes, that the Greek and Roman republics maintained the martial fpirit of their refpective citizens. They facilitated the acquifition of thofe exercifes by appointing a certain place for learning and practifing them, and by granting to certain mafters the privilege of teaching in that place. Thofe mafters do not appear to have had either falaries or exclufive privileges of any kind. Their reward confifted altogether in what they got from their fcholars; and a citizen who had learnt his exercifes in the public Gymnafia, had no fort of legal advantage over one who had learnt them privately, provided the latter had learnt them equally well. Thofe republics encour-

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aged the acquiſition of thoſe exerciſes, by beſtowing little premiums and badges of diſtinction upon thoſe who excelled in them. To have gained a prize in the Olympic, Iſthmian or Nemæan games, gave illuſtration, not only to the perſon who gained it, but to his whole family and kindred. The obligation which every citizen was under to ſerve a certain number of years, if called upon, in the armies of the republic, ſufficiently impoſed the neceſſity of learning thoſe exerciſes, without which he could not be fit for that ſervice.

That in the progreſs of improvement the practice of military exerciſes, unleſs government takes proper pains to ſupport it, goes gradually to decay, and, together with it, the martial ſpirit of the great body of the people, the example of modern Europe ſufficiently demonſtrates. But the ſecurity of every ſociety muſt always depend, more or leſs, upon the martial ſpirit of the great body of the people. In the preſent times, indeed, that martial ſpirit alone, and unſupported by a well-diſciplined ſtanding army, would not, perhaps be ſufficient for the defence and ſecurity of any ſociety. But where every citizen had the ſpirit of a ſoldier, a ſmaller ſtanding army would ſurely be requiſite. That ſpirit, beſides, would neceſſarily diminiſh very much the dangers to liberty, whether real or imaginary, which are commonly apprehended from a ſtanding army. As it would very much facilitate the operations of that army againſt a foreign invader, ſo it would obſtruct them as much if unfortunately

they ſhould ever be directed againſt the conſtitution of the ſtate.

The ancient inſtitutions of Greece and Rome ſeem to have been much more effectual, for maintaining the martial ſpirit of the great body of the people, than the eſtabliſhment of what are called the militias of modern times. They were much more ſimple. When they were once eſtabliſhed, they executed themſelves, and it required little or no attention from government to maintain them in the moſt perfect vigor. Whereas to maintain, even in tolerable execution, the complex regulations of any modern militia, requires the continual and painful attention of government, without which they are conſtantly falling into total neglect and diſuſe. The influence, beſides, of the ancient inſtitutions was much more univerſal. By means of them the whole body of the people was compleatly inſtructed in the uſe of arms. Whereas it is but a very ſmall part of them who can ever be ſo inſtructed by the regulations of any modern militia; except, perhaps, that of Switzerland. But a coward, a man incapable either of defending or of revenging himſelf, evidently wants one of the moſt eſſential parts of the character of a man. He is as much mutilated and deformed in his mind, as another is in his body, who is either deprived of ſome of its moſt eſſential members, or has loſt the uſe of them. He is evidently the more wretched and miſerable of the two; becauſe happineſs and miſery, which reſide altogether in the mind, muſt neceſſarily depend more upon the healthful

or unhealthful, the mutilated or entire ſtate of the mind, than upon that of the body. Even though the martial ſpirit of the people were of no uſe towards the defence of the ſociety, yet to prevent that ſort of mental mutilation, deformity, and wretchedneſs, which cowardice neceſſarily involves in it, from ſpreading themſelves through the great body of the people, would ſtill deſerve the moſt ſerious attention of government; in the ſame manner as it would deſerve its moſt ſerious attention to prevent a leproſy or any other loathſome and offenſive diſeaſe, though neither mortal nor dangerous from ſpreading itſelf among them; though, perhaps, no other public good might reſult from ſuch attention beſides the prevention of ſo great a public evil.

The ſame thing may be ſaid of the groſs ignorance and ſtupidity which, in a civilized ſociety, ſeem ſo frequently to benumb the underſtandings of all the inferior ranks of people. A man without the proper uſe of the intellectual faculties of a man, is, if poſſible, more contemptible than even a coward, and ſeems to be mutilated and deformed in a ſtill more eſſential part of the character of human nature. Though the ſtate was to derive no advantage from the inſtruction of the inferior ranks of people, it would ſtill deſerve its attention that they ſhould not be altogether uninſtructed. The ſtate, however, derives no inconſiderable advantage from their inſtruction. The more they are inſtructed, the leſs liable they are to the deluſions of enthuſiaſm and ſuperſtition, which, among ignorant nations, frequently occaſion the moſt

dreadful diſorders. An inſtructed and intelligent people beſides, are always more decent and orderly than an ignorant and ſtupid one. They feel themſelves, each individually, more reſpectable, and more likely to obtain the reſpect of their lawful ſuperiors, and they are therefore more diſpoſed to reſpect thoſe ſuperiors. They are more diſpoſed to examine, and more capable of ſeeing through, the intereſted complaints of faction and ſedition, and they are, upon that account, leſs apt to be miſled into any wanton or unneceſſary oppoſition to the meaſures of government. In free countries, where the ſafety of government depends very much upon the favorable judgment which the people may form of its conduct, it muſt ſurely be of the higheſt importance that they ſhould not be diſpoſed to judge raſhly or capriciouſly concerning it.

ARTICLE III.

Of the Expenſe of the Inſtitutions for the Inſtruction of People of all Ages.

THE inſtitutions for the inſtruction of people of all ages are chiefly thoſe for religious inſtruction. This is a ſpecies of inſtruction of which the object is not ſo much to render the people good citizens in this world, as to prepare them for another and a better world in a life to come. The teachers of the doctrine which contains this inſtruction, in the ſame manner as other teachers, may either depend altogether for their ſubſiſtence

upon the voluntary contributions of their hearers; or they may derive it from fome other fund to which the law of their country may entitle them; fuch as a landed eftate, a tithe or land tax, an eftablifhed falary or ftipend. Their exertion, their zeal and induftry, are likely to be much greater in the former fituation than in the latter. In this refpect the teachers of new religions have always had a confiderable advantage in attacking thofe ancient and eftablifhed fyftems of which the clergy, repofing themfelves upon their benefices, had neglected to keep up the fervor of faith and devotion in the great body of the people; and having given themfelves up to indolence, were become altogether incapable of making any vigorous exertion in defence even of their own eftablifhment. The clergy of an eftablifhed and well-endowed religion frequently become men of learning and elegance, who poffefs all the virtues of gentlemen, or which can recommend them to the efteem of gentlemen; but they are apt gradually to lofe the qualities, both good and bad, which gave them authority and influence with the inferior ranks of people, and which had perhaps been the original caufes of the fuccefs and eftablifhment of their religion. Such a clergy, when attacked by a fet of popular and bold, though perhaps ftupid and ignorant enthufiafts, feel themfelves as perfectly defencelefs as the indolent, effeminate, and full-fed nations of the fouthern parts of Afia, when they were invaded by the active, hardy, and hungry Tartars of the North. Such a clergy,

upon ſuch an emergency, have commonly no other reſource than to call upon the civil magiſtrate to perſecute, deſtroy, or drive out their adverſaries, as diſturbers of the public peace. It was thus that the Roman catholic clergy called upon the civil magiſtrate to perſecute the proteſtants; and the church of England, to perſecute the diſſenters; and that in general every religious ſect, when it has once enjoyed for a century or two the ſecurity of a legal eſtabliſhment, has found itſelf incapable of making any vigorous defence againſt any new ſect which choſe to attack its doctrine or diſcipline. Upon ſuch occaſions the advantage in point of learning and good writing may ſometimes be on the ſide of the eſtabliſhed church. But the arts of popularity, all the arts of gaining proſelytes are conſtantly on the ſide of its adverſaries. In England thoſe arts have been long neglected by the well-endowed clergy of the eſtabliſhed church, and are at preſent chiefly cultivated by the diſſenters and by the methodiſts. The independent proviſions, however, which in many places have been made for diſſenting teachers, by means of voluntary ſubſcriptions, of truſt rights, and other evaſions of the law, ſeem very much to have abated the zeal and activity of thoſe teachers. They have many of them become very learned, ingenious, and reſpectable men; but they have in general ceaſed to be very popular preachers. The methodiſts, without half the learning of the diſſenters, are much more in vogue.

In the church of Rome, the induftry and zeal of the inferior clergy are kept more alive by the powerful motive of felf-intereft, than perhaps in any eftablifhed proteftant church. The parochial clergy derive, many of them, a very confiderable part of their fubfiftence from the voluntary oblations of the people; a fource of revenue which confeffion gives them many opportunities of improving. The mendicant orders derive their whole fubfiftence from fuch oblations. It is with them, as with the huffars and light infantry of fome armies; no plunder, no pay. The parochial clergy are like thofe teachers whofe reward depends partly upon their falary, and partly upon the fees or honoraries which they get from their pupils; and thefe muft always depend more or lefs upon their induftry and reputation. The mendicant orders are like thofe teachers whofe fubfiftence depends altogether upon their induftry. They are obliged, therefore, to ufe every art which can animate the devotion of the common people. The eftablifhment of the two great mendicant orders of St. Dominic and St. Francis, it is obferved by Machiavel, revived, in the thirteenth and fourteenth centuries, the languifhing faith and devotion of the catholic church. In Roman catholic countries the fpirit of devotion is fupported altogether by the monks and by the poorer parochial clergy. The great dignitaries of the church, with all the accomplifhments of gentlemen and men of the world, and fometimes with thofe of men of learning, are careful enough to maintain the neceffary difcipline

over their inferiors, but feldom give themfelves any trouble about the inftruction of the people.

" Moft of the arts and profeffions in a ftate," fays by far the moft illuftrious philofopher and hiftorian of the prefent age, " are of fuch a na-" ture, that, while they promote the interefts of " the fociety, they are alfo ufeful or agreeable to " fome individuals; and in that cafe, the con-" ftant rule of the magiftrate, except, perhaps, " on the firft introduction of any art, is, to leave " the profeffion to itfelf, and truft its encourage-" ment to the individuals who reap the benefit " of it. The artifans, finding their profits to " rife by the favor of their cuftomers, increafe, as " much as poffible, their fkill and induftry; and " as matters are not difturbed by any injudicious " tampering, the commodity is always fure to " be at all times nearly proportioned to the de-" mand.

" But there are alfo fome callings, which, " though ufeful and even neceffary in a ftate, " bring no advantage or pleafure to any indivi-" dual, and the fupreme power is obliged to alter " its conduct with regard to the retainers of thofe " profeffions. It muft give them public encou-" ragement in order to their fubfiftence; and it " muft provide againft that negligence to which " they will naturally be fubject, either by annex-" ing particular honors to the profeffion, by " eftablifhing a long fubordination of ranks and " a ftrict dependence, or by fome other expe-" dient. The perfons employed in the finances,

" fleets, and magiſtracy, are inſtances of this order
" of men.

" It may naturally be thought, at firſt ſight,
" that the eccleſiaſtics belong to the firſt claſs,
" and that their encouragement, as well as that of
" lawyers and phyſicians, may ſafely be intruſted
" to the liberality of individuals, who are attached
" to their doctrines, and who find benefit or
" conſolation from their ſpiritual miniſtry and
" aſſiſtance. Their induſtry and vigilance will, no
" doubt, be whetted by ſuch an additional motive;
" and their ſkill in the profeſſion, as well as their
" addreſs in governing the minds of people, muſt
" receive daily increaſe, from their increaſing
" practice, ſtudy, and attention.

" But if we conſider the matter more cloſely,
" we ſhall find, that this intereſted diligence of the
" clergy is what every wiſe legiſlator will ſtudy
" to prevent; becauſe, in every religion except
" the true, it is highly pernicious, and it has
" even a natural tendency to pervert the true, by
" infuſing into it a ſtrong mixture of ſuperſtition,
" folly, and deluſion. Each ghoſtly practitioner, in
" order to render himſelf more precious and ſacred
" in the eyes of his retainers, will inſpire them
" with the moſt violent abhorrence of all other
" ſects, and continually endeavour, by ſome
" novelty, to excite the languid devotion of his
" audience. No regard will be paid to truth,
" morals, or decency in the doctrines inculcated.
" Every tenet will be adopted that beſt ſuits the
" diſorderly affections of the human frame. Cuſtomers

" will be drawn to each conventicle by new in-
" duftry and addrefs in practifing on the paffions
" and credulity of the populace. And in the end,
" the civil magiftrate will find, that he has dearly
" paid for his pretended frugality, in faving a
" fixed eftablifhment for the priefts; and that in
" reality the moft decent and advantageous com-
" pofition, which he can make with the fpiritual
" guides, is to bribe their indolence, by affigning
" ftated falaries to their profeffion, and rendering
" it fuperfluous for them to be farther active,
" than merely prevent their flock from ftraying
" in queft of new paftures. And in this manner
" ecclefiaftical eftablifhments, though commonly
" they arofe at firft from religious views, prove
" in the end advantageous to the political inter-
" efts of fociety."

But whatever may have been the good or bad effects of the independent provifion of the clergy; it has, perhaps, been very feldom beftowed upon them from any view to thofe effects. Times of violent religious controverfy have generally been times of equally violent political faction. Upon fuch occafions, each political party has either found it, or imagined it, for its intereft, to league itfelf with fome one or other of the contending religious fects. But this could be done only by adopting, or at leaft by favoring, the tenets of that particular fect. The fect which had the good fortune to be leagued with the conquering party, neceffarily fhared in the victory of its ally, by whofe favor and protection it was foon enabled

in ſome degree to ſilence and ſubdue all its adverſaries. Thoſe adverſaries had generally leagued themſelves with the enemies of the conquering party, and were therefore the enemies of that party. The clergy of this particular ſect having thus become compleat maſters of the field, and their influence and authority with the great body of the people being in its higheſt vigor, they were powerful enough to over-awe the chiefs and leaders of their own party, and to oblige the civil magiſtrate to reſpect their opinions and inclinations. Their firſt demand was generally, that he ſhould ſilence and ſubdue all their adverſaries; and their ſecond, that he ſhould beſtow an independent proviſion on themſelves. As they had generally contributed a good deal to the victory, it ſeemed not unreaſonable that they ſhould have ſome ſhare in the ſpoil. They were weary, beſides, of humoring the people, and of depending upon their caprice for a ſubſiſtence. In making this demand, therefore, they conſulted their own eaſe and comfort, without troubling themſelves about the effect which it might have in future times upon the influence and authority of their order. The civil magiſtrate, who could comply with this demand only by giving them ſomething which he would have choſen much rather to take, or to keep to himſelf, was ſeldom very forward to grant it. Neceſſity, however, always forced him to ſubmit at laſt, though frequently not till after many delays, evaſions, and affected excuſes.

But if politics had never called in the aid of religion, had the conquering party never adopted

the tenets of one fect more than thofe of another, when it had gained the victory, it would probably have dealt equally and impartially with all the different fects, and have allowed every man to chufe his own prieft and his own religion as he thought proper. There would in this cafe, no doubt, have been a great multitude of religious fects. Almoft every different congregation might probably have made a little fect by itfelf, or have entertained fome peculiar tenets of its own. Each teacher would no doubt have felt himfelf under the neceffity of making the utmoft exertion, and of ufing every art both to preferve and to increafe the number of his difciples. But as every other teacher would have felt himfelf under the fame neceffity, the fuccefs of no one teacher, or fect of teachers, could have been very great. The interefted and active zeal of religious teachers can be dangerous and troublefome only where there is, either but one fect tolerated in the fociety, or where the whole of a large fociety is divided into two or three great fects; the teachers of each acting by concert, and under a regular difcipline and fubordination. But that zeal muft be altogether innocent where the fociety is divided into two or three hundred, or perhaps into as many thoufand fmall fects, of which no one could be confiderable enough to difturb the public tranquillity. The teachers of each fect, feeing themfelves furrounded on all fides with more adverfaries than friends, would be obliged to learn that candor and moderation which is fo feldom to be found among the teachers of thofe great fects,

whofe tenets being fupported by the civil magiftrate, are held in veneration by almoft all the inhabitants of extenfive kingdoms and empires, and who therefore fee nothing round them but followers, difciples, and humble admirers. The teachers of each little fect, finding themfelves almoft alone, would be obliged to refpect thofe of almoft every other fect, and the conceffions which they would mutually find it both convenient and agreeable to make to one another, might in time probably reduce the doctrine of the greater part of them to that pure and rational religion, free from every mixture of abfurdity, impofture, or fanaticifm, fuch as wife men have in all ages of the world wifhed to fee eftablifhed; but fuch as pofitive law has perhaps never yet eftablifhed, and probably never will eftablifh in any country: becaufe, with regard to religion, pofitive law always has been, and probably always will be, more or lefs influenced by popular fuperftition and enthufiafm. This plan of ecclefiaftical government, or more properly of no ecclefiaftical government, was what the fect called Independents, a fect no doubt of very wild enthufiafts, propofed to eftablifh in England towards the end of the civil war. If it had been eftablifhed, though of a very unphilofophical origin, it would probably by this time have been productive of the moft philofophical good temper and moderation with regard to every fort of religious principle. It has been eftablifhed in Pennfylvania, where, though the Quakers happen to be the moft numerous, the law in reality

favors no one fect more than another, and it is there faid to have been productive of this philofophical good temper and moderation.

But though this equality of treatment fhould not be productive of this good temper and moderation in all, or even in the greater part of the religious fects of a particular country; yet provided thofe fects were fufficiently numerous, and each of them confequently too fmall to difturb the public tranquillity, the exceffive zeal of each for its particular tenets could not well be productive of any very hurtful effects, but, on the contrary, of feveral good ones: and if the government was perfectly decided both to let them all alone, and to oblige them all to let alone one another, there is little danger that they would not of their own accord fubdivide themfelves faft enough, fo as foon to become fufficiently numerous.

In every civilized fociety, in every fociety where the diftinction of ranks has once been compleatly eftablifhed, there have been always two different fchemes or fyftems of morality current at the fame time; of which the one may be called the ftrict or auftere; the other the liberal, or, if you will, the loofe fyftem. The former is generally admired and revered by the common people: the latter is commonly more efteemed and adopted by what are called people of fafhion. The degree of difapprobation with which we ought to mark the vices of levity, the vices which are apt to arife from great profperity, and from the excefs of gaiety and good humor, feems to

conftitute the principal diftinction between thofe two oppofite fchemes or fyftems. In the liberal or loofe fyftem, luxury, wanton and even diforderly mirth, the purfuit of pleafure to fome degree of intemperance, the breach of chaftity, at leaft in one of the two fexes, &c. provided they are not accompanied with grofs indecency, and do not lead to falfhood or injuftice, are generally treated with a good deal of indulgence, and are eafily either excufed or pardoned altogether. In the auftere fyftem, on the contrary, thofe exceffes are regarded with the utmoft abhorrence and deteftation. The vices of levity are always ruinous to the common people, and a fingle week's thoughtleffnefs and diffipation is often fufficient to undo a poor workman for ever, and to drive him through defpair upon committing the moft enormous crimes. The wifer and better fort of the common people, therefore, have always the utmoft abhorrence and deteftation of fuch exceffes, which their experience tells them are fo immediately fatal to people of their condition. The diforder and extravagance of feveral years, on the contrary, will not always ruin a man of fafhion, and people of that rank are very apt to confider the power of indulging in fome degree of excefs as one of the advantages of their fortune, and the liberty of doing fo without cenfure or reproach, as one of the privileges which belong to their ftation. In people of their own ftation, therefore, they regard fuch exceffes with but a fmall degree of difapprobation, and cenfure them either very flightly or not at all.

Almoſt all religious ſects have begun among the common people, from whom they have generally drawn their earlieſt, as well as their moſt numerous proſelytes. The auſtere ſyſtem of morality has, accordingly, been adopted by thoſe ſects almoſt conſtantly, or with very few exceptions; for there have been ſome. It was the ſyſtem by which they could beſt recommend themſelves to that order of people to whom they firſt propoſed their plan of reformation upon what had been before eſtabliſhed. Many of them, perhaps the greater part of them, have even endeavoured to gain credit by refining upon this auſtere ſyſtem, and by carrying it to ſome degree of folly and extravagance; and this exceſſive rigor has frequently recommended them more than any thing elſe to the reſpect and veneration of the common people.

A man of rank and fortune is by his ſtation the diſtinguiſhed member of a great ſociety, who attend to every part of his conduct, and who thereby oblige him to attend to every part of it himſelf. His authority and conſideration depend very much upon the reſpect which this ſociety bears to him. He dare not do any thing which would diſgrace or diſcredit him in it, and he is obliged to a very ſtrict obſervation of that ſpecies of morals, whether liberal or auſtere, which the general conſent of this ſociety preſcribes to perſons of his rank and fortune. A man of low condition, on the contrary, is far from being a diſtinguiſhed member of any great ſociety. While he remains in a country village his conduct may be

attended to, and he may be obliged to attend to it himfelf. In this fituation, and in this fituation only, he may have what is called a character to lofe. But as foon as he comes into a great city, he is funk in obfcurity and darknefs. His conduct is obferved and attended to by nobody, and he is therefore very likely to neglect it himfelf, and to abandon himfelf to every fort of low profligacy and vice. He never emerges fo effectually from this obfcurity, his conduct never excites fo much the attention of any refpectable fociety, as by his becoming the member of a fmall religious fect. He from that moment acquires a degree of confideration which he never had before. All his brother fectaries are, for the credit of the fect, interefted to obferve his conduct, and if he gives occafion to any fcandal, if he deviates very much from thofe auftere morals which they almoft always require of one another, to punifh him by what is always a very fevere punifhment, even where no civil effects attend it, expulfion or excommunication from the fect. In little religious fects, accordingly, the morals of the common people have been almoft always remarkably regular and orderly; generally much more fo than in the eftablifhed church. The morals of thofe little fects, indeed, have frequently been rather difagreeably rigorous and unfocial.

There are two very eafy and effectual remedies, however, by whofe joint operation the ftate might, without violence, correct whatever was unfocial or difagreeably rigorous in the morals of all the little fects into which the country was divided.

The firſt of thoſe remedies is the ſtudy of ſcience and philoſophy, which the ſtate might render almoſt univerſal among all people of middling or more than middling rank and fortune; not by giving ſalaries to teachers in order to make them negligent and idle, but by inſtituting ſome ſort of probation, even in the higher and more difficult ſciences, to be undergone by every perſon before he was permitted to exerciſe any liberal profeſſion, or before he could be received as a candidate for any honorable office of truſt or profit. If the ſtate impoſed upon this order of men the neceſſity of learning, it would have no occaſion to give itſelf any trouble about providing them with proper teachers. They would ſoon find better teachers for themſelves than any whom the ſtate could provide for them. Science is the great antidote to the poiſon of enthuſiaſm and ſuperſtition; and where all the ſuperior ranks of people were ſecured from it, the inferior ranks could not be much expoſed to it.

The ſecond of thoſe remedies is the frequency and gaiety of public diverſions. The ſtate, by encouraging, that is by giving entire liberty to all thoſe who for their own intereſt would attempt, without ſcandal or indecency, to amuſe and divert the people by painting, poetry, muſic, dancing; by all ſorts of dramatic repreſentations and exhibitions, would eaſily diſſipate, in the greater part of them, that melancholy and gloomy humor which is almoſt always the nurſe of popular ſuperſtition and enthuſiaſm. Public diverſions have always been the objects of dread

and hatred, to all the fanatical promoters of thofe popular frenzies. The gaiety and good humor which thofe diverfions infpire were altogether inconfiftent with that temper of mind, which was fitteft for their purpofe, or which they could beft work upon. Dramatic reprefentations befides, frequently expofing their artifices to public ridicule, and fometimes even to public execration, were upon that account, more than all other diverfions, the objects of their peculiar abhorrence.

In a country where the law favored the teachers of no one religion more than thofe of another, it would not be neceffary that any of them fhould have any particular or immediate dependency upon the fovereign or executive power; or that he fhould have any thing to do, either in appointing, or in difmiffing them from their offices. In fuch a fituation he would have no occafion to give himfelf any concern about them, further than to keep the peace among them, in the fame manner as among the reft of his fubjects; that is, to hinder them from perfecuting, abufing, or oppreffing one another. But it is quite otherwife in countries where there is an eftablifhed or governing religion. The fovereign can in this cafe never be fecure, unlefs he has the means of influencing in a confiderable degree the greater part of the teachers of that religion.

The clergy of every eftablifhed church conftitute a great incorporation. They can act in concert, and purfue their intereft upon one plan and with one fpirit, as much as if they were under

the direction of one man; and they are frequently too under such direction. Their interest as an incorporated body is never the same with that of the sovereign, and is sometimes directly opposite to it. Their great interest is to maintain their authority with the people; and this authority depends upon the supposed certainty and importance of the whole doctrine which they inculcate, and upon the supposed necessity of adopting every part of it with the most implicit faith, in order to avoid eternal misery. Should the sovereign have the imprudence to appear either to deride or doubt himself of the most trifling part of their doctrine, or from humanity attempt to protect those who did either the one or the other, the punctilious honor of a clergy who have no sort of dependency upon him, is immediately provoked to proscribe him as a profane person, and to employ all the terrors of religion in order to oblige the people to transfer their allegiance to some more orthodox and obedient prince. Should he oppose any of their pretensions or usurpations, the danger is equally great. The princes who have dared in this manner to rebel against the church, over and above this crime of rebellion, have generally been charged too with the additional crime of heresy, notwithstanding their solemn protestations of their faith and humble submission to every tenet which she thought proper to prescribe to them. But the authority of religion is superior to every other authority. The fears which it suggests conquer all other fears. When the authorized teachers of

religion propagate through the great body of the people doctrines subversive of the authority of the sovereign, it is by violence only, or by the force of a standing army, that he can maintain his authority. Even a standing army cannot in this case give him any lasting security; because if the soldiers are not foreigners, which can seldom be the case, but drawn from the great body of the people, which must almost always be the case, they are likely to be soon corrupted by those very doctrines. The revolutions which the turbulence of the Greek clergy was continually occasioning at Constantinople, as long as the eastern empire subsisted; the convulsions which, during the course of several centuries, the turbulence of the Roman clergy was continually occasioning in every part of Europe, sufficiently demonstrate how precarious and insecure must always be the situation of the sovereign who has no proper means of influencing the clergy of the established and governing religion of his country.

Articles of faith, as well as all other spiritual matters, it is evident enough, are not within the proper department of a temporal sovereign, who, though he may be very well qualified for protecting, is seldom supposed to be so for instructing the people. With regard to such matters, therefore, his authority can seldom be sufficient to counterbalance the united authority of the clergy of the established church. The public tranquillity, however, and his own security, may frequently depend upon the doctrines which they may think proper to propagate concerning such

matters. As he can ſeldom directly oppoſe their deciſion, therefore, with proper weight and authority, it is neceſſary that he ſhould be able to influence it; and he can influence it only by the fears and expectations which he may excite in the greater part of the individuals of the order. Thoſe fears and expectations may conſiſt in the fear of deprivation or other puniſhment, and in the expectation of further preferment.

In all Chriſtian churches the benefices of the clergy are a ſort of freeholds which they enjoy, not during pleaſure, but during life, or good behaviour. If they held them by a more precarious tenure, and were liable to be turned out upon every ſlight diſobligation either of the ſovereign or of his miniſters, it would perhaps be impoſſible for them to maintain their authority with the people, who would then conſider them as mercenary dependents upon the court, in the ſincerity of whoſe inſtructions they could no longer have any confidence. But ſhould the ſovereign attempt irregularly, and by violence, to deprive any number of clergy-men of their freeholds, on account, perhaps, of their having propagated, with more than ordinary zeal, ſome factious or ſeditious doctrine, he would only render, by ſuch perſecution, both them and their doctrine ten times more popular, and therefore ten times more troubleſome and dangerous than they had been before. Fear is in almoſt all caſes a wretched inſtrument of government, and ought in particular never to be employed againſt any order of men who have the ſmalleſt pretenſions

to independency. To attempt to terrify them, ſerves only to irritate their bad humor, and to confirm them in an oppoſition which more gentle uſage perhaps might eaſily induce them, either to ſoften, or to lay aſide altogether. The violence which the French government uſually employed in order to oblige all their parliaments, or ſovereign courts of juſtice, to enregiſter any unpopular edict, very ſeldom ſucceeded. The means commonly employed, however, the impriſonment of all the refractory members, one would think were forcible enough. The princes of the houſe of Stewart ſometimes employed the like means in order to influence ſome of the members of the parliament of England; and they generally found them equally intractable. The parliament of England is now managed in another manner; and a very ſmall experiment, which the duke of Choiſeul made about twelve years ago upon the parliament of Paris, demonſtrated ſufficiently that all the parliaments of France might have been managed ſtill more eaſily in the ſame manner. That experiment was not purſued. For though management and perſuaſion are always the eaſieſt and the ſafeſt inſtruments of government, as force and violence are the worſt and the moſt dangerous, yet ſuch, it ſeems, is the natural inſolence of man, that he almoſt always diſdains to uſe the good inſtrument, except when he cannot or dare not uſe the bad one. The French government could and durſt uſe force, and therefore diſdained to uſe management and perſuaſion. But there is no order of men, it appears, I believe, from

the experience of all ages, upon whom it is ſo dangerous, or rather ſo perfectly ruinous, to employ force and violence, as upon the reſpected clergy of any eſtabliſhed church. The rights, the privileges, the perſonal liberty of every individual eccleſiaſtic, who is upon good terms with his own order, are, even in the moſt deſpotic governments, more reſpected than thoſe of any other perſon of nearly equal rank and fortune. It is ſo in every gradation of deſpotiſm, from that of the gentle and mild government of Paris, to that of the violent and furious government of Conſtantinople. But though this order of men can ſcarce ever be forced, they may be managed as eaſily as any other; and the ſecurity of the ſovereign, as well as the public tranquillity, ſeems to depend very much upon the means which he has of managing them; and thoſe means ſeem to conſiſt altogether in the preferment which he has to beſtow upon them.

In the ancient conſtitution of the Chriſtian church, the biſhop of each dioceſe was elected by the joint votes of the clergy and of the people of the epiſcopal city. The people did not long retain their right of election; and while they did retain it, they almoſt always acted under the influence of the clergy, who in ſuch ſpiritual matters appeared to be their natural guides. The clergy, however, ſoon grew weary of the trouble of managing them, and found it eaſier to elect their own biſhops themſelves. The abbot, in the ſame manner, was elected by the monks of the monaſtery, at leaſt in the greater part of abbacies. All the inferior

ecclefiaftical benefices comprehended within the diocefe were collated by the bifhop, who beftowed them upon fuch ecclefiaftics as he thought proper. All church preferments were in this manner in the difpofal of the church. The fovereign, though he might have fome indirect influence in thofe elections, and though it was fometimes ufual to afk both his confent to elect, and his approbation of the election, yet had no direct or fufficient means of managing the clergy. The ambition of every clergyman naturally led him to pay court, not fo much to his fovereign, as to his own order, from which only he could expect preferment.

Through the greater part of Europe the Pope gradually drew to himfelf firft the collation of almoft all bifhoprics and abbacies, or of what were called Confiftorial benefices, and afterwards, by various machinations and pretences, of the greater part of inferior benefices comprehended within each diocefe; little more being left to the bifhop than what was barely neceffary to give him a decent authority with his own clergy. By this arrangement the condition of the fovereign was ftill worfe than it had been before. The clergy of all the different countries of Europe were thus formed into a fort of fpiritual army, difperfed in different quarters, indeed, but of which all the movements and operations could now be directed by one head, and conducted upon one uniform plan. The clergy of each particular country might be confidered as a particular detachment of that army, of which the operations could eafily be

ſupported and ſeconded by all the other detachments quartered in the different countries round about. Each detachment was not only independent of the ſovereign of the country in which it was quartered, and by which it was maintained, but dependent upon a foreign ſovereign, who could at any time turn its arms againſt the ſovereign of that particular country, and ſupport them by the arms of all the other detachments.

Thoſe arms were the moſt formidable that can well be imagined. In the ancient ſtate of Europe, before the eſtabliſhment of arts and manufactures, the wealth of the clergy gave them the ſame ſort of influence over the common people, which that of the great barons gave them over their reſpective vaſſals, tenants, and retainers. In the great landed eſtates, which the miſtaken piety both of princes and private perſons had beſtowed upon the church, juriſdictions were eſtabliſhed of the ſame kind with thoſe of the great barons; and for the ſame reaſon. In thoſe great landed eſtates, the clergy, or their bailiffs, could eaſily keep the peace without the ſupport or aſſiſtance either of the king or of any other perſon; and neither the king nor any other perſon could keep the peace there without the ſupport and aſſiſtance of the clergy. The juriſdictions of the clergy, therefore, in their particular baronies or manors, were equally independent, and equally excluſive of the authority of the king's courts, as thoſe of the great temporal lords. The tenants of the clergy were, like thoſe of the great barons, almoſt all tenants at will, entirely dependent

upon their immediate lords, and therefore liable to be called out at pleafure, in order to fight in any quarrel in which the clergy might think proper to engage them. Over and above the rents of thofe eftates, the clergy poffeffed, in the tithes, a very large portion of the rents of all the other eftates in every kingdom of Europe. The revenues arifing from both thofe fpecies of rents were, the greater part of them, paid in kind, in corn, wine, cattle, poultry, &c. The quantity exceeded greatly what the clergy could themfelves confume; and there were neither arts nor manufactures for the produce of which they could exchange the furplus. The clergy could derive advantage from this immenfe furplus in no other way than by employing it, as the great barons employed the like furplus of their revenues, in the moft profufe hofpitality, and in the moft extenfive charity. Both the hofpitality and the charity of the ancient clergy, accordingly, are faid to have been very great. They not only maintained almoft the whole poor of every kingdom, but many knights and gentlemen had frequently no other means of fubfiftence than by travelling about from monaftery to monaftery, under pretence of devotion, but in reality to enjoy the hofpitality of the clergy. The retainers of fome particular prelates were often as numerous as thofe of the greateft lay-lords; and the retainers of all the clergy taken together were, perhaps, more numerous than thofe of all the lay-lords. There was always much more union among the clergy than among the lay-lords. The former were under

a regular difcipline and fubordination to the papal authority. The latter were under no regular dif-cipline or fubordination, but almoft always equally jealous of one another, and of the king. Though the tenants and retainers of the clergy, therefore, had both together been lefs numerous than thofe of the great lay-lords, and their tenants were probably much lefs numerous, yet their union would have rendered them more formidable. The hofpitality and charity of the clergy too, not only gave them the command of a great temporal force, but increafed very much the weight of their fpiritual weapons. Thofe virtues procured them the higheft refpect and veneration among all the inferior ranks of people, of whom many were conftantly, and almoft all occafionally, fed by them. Every thing belonging or related to fo popular an order, its poffeffions, its privileges, its doctrines, neceffar-ily appeared facred in the eyes of the common people, and every violation of them, whether real or pretended, the higheft act of facrilegious wickednefs and profanenefs. In this ftate of things, if the fovereign frequently found it difficult to refift the confederacy of a few of the great nobility, we cannot wonder that he fhould find it ftill more fo to refift the united force of the clergy of his own dominions, fupported by that of the clergy of all the neighbouring dominions. In fuch circumftances the wonder is, not that he was fometimes obliged to yield, but that he ever was able to refift.

The privileges of the clergy in thofe ancient

times (which to us who live in the prefent times appear the moft abfurd), their total exemption from the fecular jurifdiction, for example, or what in England was called the benefit of clergy; were the natural or rather the neceffary confequences of this ftate of things. How dangerous muft it have been for the fovereign to attempt to punifh a clergyman for any crime whatever, if his own order were difpofed to protect him, and to reprefent either the proof as infufficient for convicting fo holy a man, or the punifhment as too fevere to be inflicted upon one whofe perfon had been rendered facred by religion? The fovereign could, in fuch circumftances, do no better than leave him to be tried by the ecclefiaftical courts, who, for the honor of their own order, were interefted to reftrain, as much as poffible, every member of it from committing enormous crimes, or even from giving occafion to fuch grofs fcandal as might difguft the minds of the people.

In the ftate in which things were through the greater part of Europe during the tenth, eleventh, twelfth, and thirteenth centuries, and for fome time both before and after that period, the conftitution of the church of Rome may be confidered as the moft formidable combination that ever was formed againft the authority and fecurity of civil government, as well as againft the liberty, reafon, and happinefs of mankind, which can flourifh only where civil government is able to protect them. In that conftitution the groffeft delufions of fuper-

ſtition were ſupported in ſuch a manner by the private intereſts of ſo great a number of people as put them out of all danger from any aſſault of human reaſon: becauſe though human reaſon might perhaps have been able to unveil, even to the eyes of the common people, ſome of the deluſions of ſuperſtition; it could never have diſſolved the ties of private intereſt. Had this conſtitution been attacked by no other enemies but the feeble efforts of human reaſon, it muſt have endured for ever. But that immenſe and well-built fabric, which all the wiſdom and virtue of man could never have ſhaken, much leſs have overturned, was by the natural courſe of things, firſt weakened, and afterwards in part deſtroyed, and is now likely, in the courſe of a few centuries more, perhaps, to crumble into ruins altogether.

The gradual improvements of arts, manufactures, and commerce, the ſame cauſes which deſtroyed the power of the great barons, deſtroyed in the ſame manner, through the greater part of Europe, the whole temporal power of the clergy. In the produce of arts, manufactures, and commerce, the clergy, like the great barons, found ſomething for which they could exchange their rude produce, and thereby diſcovered the means of ſpending their whole revenues upon their own perſons, without giving any conſiderable ſhare of them to other people. Their charity became gradually leſs extenſive, their hoſpitality leſs liberal or leſs profuſe. Their retainers became conſequently leſs numerous, and by degrees dwindled away altogether. The

clergy too, like the great barons, wiſhed to get a better rent from their landed eſtates, in order to ſpend it, in the ſame manner, upon the gratification of their own private vanity and folly. But this increaſe of rent could be got only by granting leaſes to their tenants, who thereby became in a great meaſure independent of them. The ties of intereſt, which bound the inferior ranks of people to the clergy, were in this manner gradually broken and diſſolved. They were even broken and diſſolved ſooner than thoſe which bound the ſame ranks of people to the great barons: becauſe the benefices of the church being, the greater part of them, much ſmaller than the eſtates of the great barons, the poſſeſſor of each benefice was much ſooner able to ſpend the whole of its revenue upon his own perſon. During the greater part of the fourteenth and fifteenth centuries the power of the great barons was, through the greater part of Europe, in full vigor. But the temporal power of the clergy, the abſolute command which they had once had over the great body of the people, was very much decayed. The power of the church was by that time very nearly reduced through the greater part of Europe to what aroſe from her ſpiritual authority; and even that ſpiritual authority was much weakened when it ceaſed to be ſupported by the charity and hoſpitality of the clergy. The inferior ranks of people no longer looked upon that order, as they had done before, as the comforters of their diſtreſs, and the relievers of their indigence. On the

contrary,

contrary, they were provoked and disgusted by the vanity, luxury, and expense of the richer clergy, who appeared to spend upon their own pleasures what had always before been regarded as the patrimony of the poor.

In this situation of things, the sovereigns in the different states of Europe endeavoured to recover the influence which they had once had in the disposal of the great benefices of the church, by procuring to the deans and chapters of each diocese the restoration of their ancient right of electing the bishop, and to the monks of each abbacy that of electing the abbot. The re-establishing of this ancient order was the object of several statutes enacted in England during the course of the fourteenth century, particularly of what is called the statute of provisors; and of the Pragmatic sanction established in France in the fifteenth century. In order to render the election valid, it was necessary that the sovereign should both consent to it before-hand, and afterwards approve of the person elected; and though the election was still supposed to be free, he had, however, all the indirect means which his situation necessarily afforded him, of influencing the clergy in his own dominions. Other regulations of a similar tendency were established in other parts of Europe. But the power of the pope in the collation of the great benefices of the church seems, before the reformation, to have been no-where so effectually and so universally restrained as in France and England. The Concordat afterwards, in the sixteenth century, gave to the

kings of France the absolute right of presenting to all the great, or what are called the consistorial benefices of the Gallican church.

Since the establishment of the Pragmatic sanction and of the Concordat, the clergy of France have in general shown less respect to the decrees of the papal court than the clergy of any other catholic country. In all the disputes which their sovereign has had with the pope, they have almost constantly taken party with the former. This independency of the clergy of France upon the court of Rome, seems to be principally founded upon the Pragmatic sanction and the Concordat. In the earlier periods of the monarchy, the clergy of France appear to have been as much devoted to the pope as those of any other country. When Robert the second prince of the Capetian race, was most unjustly excommunicated by the court of Rome, his own servants, it is said, threw the victuals which came from his table to the dogs, and refused to taste any thing themselves which had been polluted by the contact of a person in his situation. They were taught to do so, it may very safely be presumed, by the clergy of his own dominions.

The claim of collating to the great benefices of the church, a claim in defence of which the court of Rome had frequently shaken, and sometimes overturned the thrones of some of the greatest sovereigns in Christendom, was in this manner either restrained or modified, or given up altogether, in many different parts of Europe, even before the time of the reformation. As the

clergy had now lefs influence over the people, fo the ftate had more influence over the clergy. The clergy therefore had both lefs power and lefs inclination to difturb the ftate.

The authority of the church of Rome was in this ftate of declenfion, when the difputes which gave birth to the reformation, began in Germany, and foon fpread themfelves through every part of Europe. The new doctrines were every where received with a high degree of popular favor. They were propagated with all that enthufiaftic zeal which commonly animates the fpirit of party, when it attacks eftablifhed authority. The teachers of thofe doctrines, though perhaps in other refpects not more learned than many of the divines who defended the eftablifhed church, feem in general to have been better acquainted with ecclefiaftical hiftory, and with the origin and progrefs of that fyftem of opinions upon which the authority of the church was eftablifhed, and they had thereby fome advantage in almoft every difpute. The aufterity of their manners gave them authority with the common people, who contrafted the ftrict regularity of their conduct with the diforderly lives of the greater part of their own clergy. They poffeffed too in a much higher degree than their adverfaries, all the arts of popularity and of gaining profelytes, arts which the lofty and dignified fons of the church had long neglected, as being to them in a great meafure ufelefs. The reafon of the new doctrines recommended them to fome, their novelty to many; the hatred and contempt of the eftablifhed

clergy to a ftill greater number; but the zealous, paffionate, and fanatical, though frequently coarfe and ruftic eloquence with which they were almoft every where inculcated, recommended them to by far the greateft number.

The fuccefs of the new doctrines was almoft every where fo great, that the princes who at that time happened to be on bad terms with the court of Rome, were by means of them eafily enabled, in their own dominions, to overturn the church, which having loft the refpect and veneration of the inferior ranks of people, could make fcarce any refiftance. The court of Rome had difobliged fome of the fmaller princes in the northern parts of Germany, whom it had probably confidered as too infignificant to be worth the managing. They univerfally, therefore, eftablifhed the reformation in their own dominions.

The tyranny of Chriftiern II. and of Troll archbifhop of Upfal, enabled Guftavus Vafa to expel them both from Sweden. The pope favored the tyrant and the archbifhop, and Guftavus Vafa found no difficulty in eftablifhing the reformation in Sweden. Chriftiern II. was afterwards depofed from the throne of Denmark, where his conduct had rendered him as odious as in Sweden. The pope, however, was ftill difpofed to favor him, and Frederic of Holftein, who had mounted the throne in his ftead, revenged himfelf by following the example of Guftavus Vafa. The magiftrates of Berne and Zurich, who had no particular quarrel with the pope, eftablifhed with great eafe the reformation in their refpective

cantons, where juſt before ſome of the clergy had, by an impoſture ſomewhat groſſer than ordinary, rendered the whole order both odious and contemptible.

In this critical ſituation of its affairs, the papal court was at ſufficient pains to cultivate the friendſhip of the powerful ſovereigns of France and Spain, of whom the latter was at that time emperor of Germany. With their aſſiſtance it was enabled, though not without great difficulty and much bloodſhed, either to ſuppreſs altogether, or to obſtruct very much the progreſs of the reformation in their dominions. It was well enough inclined too to be complaiſant to the king of England. But from the circumſtances of the times, it could not be ſo without giving offence to a ſtill greater ſovereign, Charles V. king of Spain and emperor of Germany. Henry VIII. accordingly, though he did not embrace himſelf the greater part of the doctrines of the reformation, was yet enabled, by their general prevalence, to ſuppreſs all the monaſteries, and to aboliſh the authority of the church of Rome in his dominions. That he ſhould go ſo far, though he went no further, gave ſome ſatisfaction to the patrons of the reformation, who having got poſſeſſion of the government in the reign of his ſon and ſucceſſor, compleated without any difficulty the work which Henry VIII. had begun.

In ſome countries, as in Scotland, where the government was weak, unpopular, and not very firmly eſtabliſhed, the reformation was ſtrong enough to overturn, not only the church, but

the ſtate likewiſe for attempting to ſupport the church.

Among the followers of the reformation, diſperſed in all the different countries of Europe, there was no general tribunal, which, like that of the court of Rome, or an œcumenical council, could ſettle all diſputes among them, and with irreſiſtible authority preſcribe to all of them the preciſe limits of orthodoxy. When the followers of the reformation in one country, therefore, happened to differ from their brethren in another, as they had no common judge to appeal to, the diſpute could never be decided; and many ſuch diſputes aroſe among them. Thoſe concerning the government of the church, and the right of conferring eccleſiaſtical benefices, were perhaps the moſt intereſting to the peace and welfare of civil ſociety. They gave birth accordingly to the two principal parties or ſects among the followers of the reformation, the Lutheran and Calviniſtic ſects, the only ſects among them, of which the doctrine and diſcipline have ever yet been eſtabliſhed by law in any part of Europe.

The followers of Luther, together with what is called the church of England, preſerved more or leſs of the epiſcopal government, eſtabliſhed ſubordination among the clergy, gave the ſovereign the diſpoſal of all the biſhoprics, and other conſiſtorial benefices within his dominions, and thereby rendered him the real head of the church; and without depriving the biſhop of the right of collating to the ſmaller benefices within his dioceſe, they, even to thoſe benefices, not

only admitted, but favored the right of presentation both in the sovereign and in all other lay-patrons. This syftem of church government was from the beginning favorable to peace and good order, and to fubmiffion to the civil fovereign. It has never, accordingly, been the occafion of any tumult or civil commotion in any country in which it has once been eftablifhed. The church of England in particular has always valued herfelf, with great reafon, upon the unexceptionable loyalty of her principles. Under fuch a government the clergy naturally endeavour to recommend themfelves to the fovereign, to the court, and to the nobility and gentry of the country, by whofe influence they chiefly expect to obtain preferment. They pay court to thofe patrons, fometimes, no doubt, by the vileft flattery and affentation, but frequently too by cultivating all thofe arts which beft deferve, and which are, therefore, moft likely to gain them the efteem of people of rank and fortune; by their knowledge in all the different branches of ufeful and ornamental learning, by the decent liberality of their manners, by the focial good humor of their converfation, and by their avowed contempt of thofe abfurd and hypocritical aufterities which fanatics inculcate and pretend to practife, in order to draw upon themfelves the veneration, and upon the greater part of men of rank and fortune, who avow that they do not practife them, the abhorrence of the common people. Such a clergy, however, while they pay their court in this manner to the higher ranks of life, are very

apt to neglect altogether the means of maintaining their influence and authority with the lower. They are liftened to, efteemed and refpected by their fuperiors; but before their inferiors they are frequently incapable of defending, effectually and to the conviction of fuch hearers, their own fober and moderate doctrines againft the moft ignorant enthufiaft who chufes to attack them.

The followers of Zuinglius, or more properly thofe of Calvin, on the contrary, beftowed upon the people of each parifh, whenever the church became vacant, the right of electing their own paftor; and eftablifhed at the fame time the moft perfect equality among the clergy. The former part of this inftitution, as long as it remained in vigor, feems to have been productive of nothing but diforder and confufion, and to have tended equally to corrupt the morals both of the clergy and of the people. The latter part feems never to have had any effects but what were perfectly agreeable.

As long as the people of each parifh preferved the right of electing their own paftors, they acted almoft always under the influence of the clergy, and generally of the moft factious and fanatical of the order. The clergy, in order to preferve their influence in thofe popular elections, became, or affected to become, many of them, fanatics themfelves, encouraged fanaticifm among the people, and gave the preference almoft always to the moft fanatical candidate. So fmall a matter as the appointment of a parifh prieft occafioned almoft always a violent conteft, not

only in one pariſh, but in all the neighbouring pariſhes, who ſeldom failed to take part in the quarrel. When the pariſh happened to be ſituated in a great city, it divided all the inhabitants into two parties; and when that city happened either to conſtitute itſelf a little republic, or to be the head and capital of a little republic, as is the caſe with many of the conſiderable cities in Switzerland and Holland, every paltry diſpute of this kind, over and above exaſperating the animoſity of all their other factions, threatened to leave behind it both a new ſchiſm in the church, and a new faction in the ſtate. In thoſe ſmall republics, therefore, the magiſtrate very ſoon found it neceſſary, for the ſake of preſerving the public peace, to aſſume to himſelf the right of preſenting to all vacant benefices. In Scotland, the moſt extenſive country in which this preſbyterian form of church government has ever been eſtabliſhed, the rights of patronage were in effect aboliſhed by the act which eſtabliſhed preſbytery in the beginning of the reign of William III. That act at leaſt put it in the power of certain claſſes of people in each pariſh, to purchaſe, for a very ſmall price, the right of electing their own paſtor. The conſtitution which this act eſtabliſhed was allowed to ſubſiſt for about two-and-twenty years, but was aboliſhed by the 10th of queen Anne, ch. 12. on account of the confuſions and diſorders which this more popular mode of election had almoſt every where occaſioned. In ſo extenſive a country as Scotland, however, a tumult in a remote pariſh was

not fo likely to give difturbance to government, as in a fmaller ftate. The 10th of queen Anne reftored the rights of patronage. But though in Scotland the law gives the benefice without any exception to the perfon prefented by the patron ; yet the church requires fometimes (for fhe has not in this refpect been very uniform in her decifions) a certain concurrence of the people, before fhe will confer upon the prefentee what is called the cure of fouls, or the ecclefiaftical jurifdiction in the parifh. She fometimes at leaft, from an affected concern for the peace of the parifh, delays the fettlement till this concurrence can be procured. The private tampering of fome of the neighbouring clergy, fometimes to procure, but more frequently to prevent this concurrence, and the popular arts which they cultivate in order to enable them upon fuch occafions to tamper more effectually, are perhaps the caufes which principally keep up whatever remains of the old fanatical fpirit, either in the clergy or in the people of Scotland.

The equality which the prefbyterian form of church government eftablifhes among the clergy, confifts, firft, in the equality of authority or ecclefiaftical jurifdiction; and, fecondly, in the equality of benefice. In all prefbyterian churches the equality of authority is perfect: that of benefice is not fo. The difference, however, between one benefice and another, is feldom fo confiderable as commonly to tempt the poffeffor even of the fmall one to pay court to his patron, by the vile arts of flattery and affentation, in

order to get a better. In all the preſbyterian churches, where the rights of patronage are thoroughly eſtabliſhed, it is by nobler and better arts that the eſtabliſhed clergy in general endeavour to gain the favor of their ſuperiors; by their learning, by the irreproachable regularity of their life, and by the faithful and diligent diſcharge of their duty. Their patrons even frequently complain of the independency of their ſpirit, which they are apt to conſtrue into ingratitude for paſt favors, but which at worſt, perhaps, is ſeldom any more than that indifference which naturally ariſes from the conſcioufneſs that no further favors of the kind are ever to be expected. There is ſcarce perhaps to be found any where in Europe a more learned, decent, independent, and reſpectable ſet of men, than the greater part of the preſbyterian clergy of Holland, Geneva, Switzerland, and Scotland.

Where the church benefices are all nearly equal, none of them can be very great, and this mediocrity of benefice, though it may no doubt be carried too far, has, however, ſome very agreeable effects. Nothing but the moſt exemplary morals can give dignity to a man of ſmall fortune. The vices of levity and vanity neceſſarily render him ridiculous, and are, beſides, almoſt as ruinous to him as they are to the common people. In his own conduct, therefore, he is obliged to follow that ſyſtem of morals which the common people reſpect the moſt. He gains their eſteem and affection by that plan of life which his own intereſt and ſituation would lead him to follow.

The common people look upon him with that kindneſs with which we naturally regard one who approaches ſomewhat to our own condition, but who, we think, ought to be in a higher. Their kindneſs naturally provokes his kindneſs. He becomes careful to inſtruct them, and attentive to aſſiſt and relieve them. He does not even deſpiſe the prejudices of people who are diſpoſed to be ſo favorable to him, and never treats them with thoſe contemptuous and arrogant airs which we ſo often meet with in the proud dignitaries of opulent and well endowed churches. The preſbyterian clergy, accordingly, have more influence over the minds of the common people than perhaps the clergy of any other eſtabliſhed church. It is accordingly in preſbyterian countries only that we ever find the common people converted, without perſecution, compleatly, and almoſt to a man, to the eſtabliſhed church.

In countries where church benefices are the greater part of them very moderate, a chair in a univerſity is generally a better eſtabliſhment than a church benefice. The univerſities have, in this caſe, the picking and chuſing of their members from all the churchmen of the country, who, in every country, conſtitute by far the moſt numerous claſs of men of letters. Where church benefices, on the contrary, are many of them very conſiderable, the church naturally draws from the univerſities the greater part of their eminent men of letters; who generally find ſome patron who does himſelf honor by procuring them church preferment. In the former ſituation we

are likely to find the univerſities filled with the moſt eminent men of letters that are to be found in the country. In the latter we are likely to find few eminent men among them, and thoſe few among the youngeſt members of the ſociety, who are likely too to be drained away from it, before they can have acquired experience and knowledge enough to be of much uſe to it. It is obſerved by Mr. de Voltaire, that father Porrée, a jeſuit of no great eminence in the republic of letters, was the only profeſſor they had ever had in France whoſe works were worth the reading. In a country which has produced ſo many eminent men of letters, it muſt appear ſomewhat ſingular, that ſcarce one of them ſhould have been a profeſſor in a univerſity. The famous Gaſſendi was, in the beginning of his life, a profeſſor in the univerſity of Aix. Upon the firſt dawning of his genius, it was repreſented to him, that by going into the church he could eaſily find a much more quiet and comfortable ſubſiſtence, as well as a better ſituation for purſuing his ſtudies; and he immediately followed the advice. The obſervation of Mr. de Voltaire may be applied, I believe, not only to France, but to all other Roman catholic countries. We very rarely find, in any of them, an eminent man of letters who is a profeſſor in a univerſity, except, perhaps, in the profeſſions of law and phyſic; profeſſions from which the church is not ſo likely to draw them. After the church of Rome, that of England is by far the richeſt and beſt endowed church in Chriſtendom. In England, accordingly,

the church is continually draining the univerſities of all their beſt and ableſt members; and an old college tutor, who is known and diſtinguiſhed in Europe as an eminent man of letters, is as rarely to be found there as in any Roman catholic country. In Geneva, on the contrary, in the proteſtant cantons of Switzerland, in the proteſtant countries of Germany, in Holland, in Scotland, in Sweden, and Denmark, the moſt eminent men of letters whom thoſe countries have produced, have, not all indeed, but the far greater part of them, been profeſſors in univerſities. In thoſe countries the univerſities are continually draining the church of all its moſt eminent men of letters.

It may, perhaps, be worth while to remark, that, if we except the poets, a few orators, and a few hiſtorians, the far greater part of the other eminent men of letters, both of Greece and Rome, appear to have been either public or private teachers; generally either of philoſophy or of rhetoric. This remark will be found to hold true from the days of Lyſias and Iſocrates, of Plato and Ariſtotle, down to thoſe of Plutarch and Epictetus, of Suetonius and Quintilian. To impoſe upon any man the neceſſity of teaching, year after year, any particular branch of ſcience, ſeems, in reality, to be the moſt effectual method for rendering him compleatly maſter of it himſelf By being obliged to go every year over the ſame ground, if he is good for any thing, he neceſſarily becomes, in a few years, well acquainted with every part of it: and

if upon any particular point he ſhould form too haſty an opinion one year, when he comes in the courſe of his lectures to re-conſider the ſame ſubject the year thereafter, he is very likely to correct it. As to be a teacher of ſcience is certainly the natural employment of a mere man of letters; ſo is it likewiſe, perhaps, the education which is moſt likely to render him a man of ſolid learning and knowledge. The mediocrity of church benefices naturally tends to draw the greater part of men of letters, in the country where it takes place, to the employment in which they can be the moſt uſeful to the public, and, at the ſame time, to give them the beſt education, perhaps, they are capable of receiving. It tends to render their learning both as ſolid as poſſible, and as uſeful as poſſible.

The revenue of every eſtabliſhed church, ſuch parts of it excepted as may ariſe from particular lands or manors, is a branch, it ought to be obſerved, of the general revenue of the ſtate, which is thus diverted to a purpoſe very different from the defence of the ſtate. The tithe, for example, is a real land-tax, which puts it out of the power of the proprietors of land to contribute ſo largely towards the defence of the ſtate as they otherwiſe might be able to do. The rent of land, however, is, according to ſome, the ſole fund, and, according to others, the principal fund, from which, in all great monarchies, the exigencies of the ſtate muſt be ultimately ſupplied. The more of this fund that is given to the church, the leſs, it is evident, can be

ſpared to the ſtate. It may be laid down as a certain maxim, that, all other things being ſuppoſed equal, the richer the church, the poorer muſt neceſſarily be, either the ſovereign on the one hand, or the people on the other; and, in all caſes, the leſs able muſt the ſtate be to defend itſelf. In ſeveral proteſtant countries, particularly in all the proteſtant cantons of Switzerland, the revenue which anciently belonged to the Roman catholic church, the tithes and church lands, has been found a fund ſufficient, not only to afford competent ſalaries to the eſtabliſhed clergy, but to defray, with little or no addition, all the other expenſes of the ſtate. The magiſtrates of the powerful canton of Berne, in particular, have accumulated out of the ſavings from this fund a very large ſum, ſuppoſed to amount to ſeveral millions, part of which is depoſited in a public treaſure, and part is placed at intereſt in what are called the public funds of the different indebted nations of Europe; chiefly in thoſe of France and Great Britain. What may be the amount of the whole expenſe which the church, either of Berne, or of any other proteſtant canton, coſts the ſtate, I do not pretend to know. By a very exact account it appears, that, in 1755, the whole revenue of the clergy of the church of Scotland, including their glebe or church lands, and the rent of their manſes or dwelling-houſes, eſtimated according to a reaſonable valuation, amounted only to 68,514. l. 1. s. 5 d. $\frac{1}{12}$. This very moderate

revenue

revenue affords a decent ſubſiſtence to nine hundred and forty-four miniſters. The whole expenſe of the church, including what is occaſionally laid out for the building and reparation of churches, and of the manſes of miniſters, cannot well be ſuppoſed to exceed eighty or eighty-five thouſand pounds a-year. The moſt opulent church in Chriſtendom does not maintain better the uniformity of faith, the fervor of devotion, the ſpirit of order, regularity, and auſtere morals in the great body of the people, than this very poorly endowed church of Scotland. All the good effects, both civil and religious, which an eſtabliſhed church can be ſuppoſed to produce, are produced by it as compleatly as by any other. The greater part of the proteſtant churches of Switzerland, which in general are not better endowed than the church of Scotland, produce thoſe effects in a ſtill higher degree. In the greater part of the proteſtant cantons, there is not a ſingle perſon to be found who does not profeſs himſelf to be of the eſtabliſhed church. If he profeſſes himſelf to be of any other, indeed, the law obliges him to leave the canton. But ſo ſevere, or rather indeed ſo oppreſſive a law, could never have been executed in ſuch free countries, had not the diligence of the clergy before-hand converted to the eſtabliſhed church the whole body of the people, with the exception of, perhaps, a few individuals only. In ſome parts of Switzerland, accordingly, where, from the accidental union of a proteſtant and Roman catholic country, the converſion has not been ſo

compleat, both religions are not only tolerated but eftablifhed by law.

The proper performance of every fervice feems to require that its pay or recompence fhould be, as exactly as poffible, proportioned to the nature of the fervice. If any fervice is very much under-paid, it is very apt to fuffer by the meannefs and incapacity of the greater part of thofe who are employed in it. If it is very much over-paid, it is apt to fuffer, perhaps, ftill more by their negligence and idlenefs. A man of a large revenue, whatever may be his profeffion, thinks he ought to live like other men of large revenues; and to fpend a great part of his time in feftivity, in vanity, and in diffipation. But in a clergyman this train of life not only confumes the time which ought to be employed in the duties of his function, but in the eyes of the common people deftroys almoft entirely that fanctity of character which can alone enable him to perform thofe duties with proper weight and authority.

PART IV.

Of the Expenfe of fupporting the Dignity of the Sovereign.

OVER and above the expenfes neceffary for enabling the fovereign to perform his feveral duties, a certain expenfe is requifite for the fupport of his dignity. This expenfe varies both with the different periods of improvement, and with the different forms of government.

In an opulent and improved ſociety, where all the different orders of people are growing every day more expenſive in their houſes, in their furniture, in their tables, in their dreſs, and in their equipage; it cannot well be expected that the ſovereign ſhould alone hold out againſt the faſhion. He naturally, therefore, or rather neceſſarily becomes more expenſive in all thoſe different articles too. His dignity even ſeems to require that he ſhould become ſo.

As in point of dignity, a monarch is more raiſed above his ſubjects than the chief magiſtrate of any republic is ever ſuppoſed to be above his fellow-citizens; ſo a greater expenſe is neceſſary for ſupporting that higher dignity. We naturally expect more ſplendor in the court of a king, than in the manſion-houſe of a doge or burgomaſter.

CONCLUSION.

THE expenſe of defending the ſociety, and that of ſupporting the dignity of the chief magiſtrate, are both laid out for the general benefit of the whole ſociety. It is reaſonable, therefore, that they ſhould be defrayed by the general contribution of the whole ſociety, all the different members contributing, as nearly as poſſible, in proportion to their reſpective abilities.

The expenſe of the adminiſtration of juſtice too, may, no doubt, be conſidered as laid out for the benefit of the whole ſociety. There is no

impropriety, therefore, in its being defrayed by the general contribution of the whole ſociety. The perſons, however, who give occaſion to this expenſe are thoſe who, by their injuſtice in one way or another, make it neceſſary to ſeek redreſs or protection from the courts of juſtice. The perſons again moſt immediately benefited by this expenſe, are thoſe whom the courts of juſtice either reſtore to their rights, or maintain in their rights. The expenſe of the adminiſtration of juſtice, therefore, may very properly be defrayed by the particular contribution of one or other, or both of thoſe two different ſets of perſons, according as different occaſions may require, that is, by the fees of court. It cannot be neceſſary to have recourſe to the general contribution of the whole ſociety, except for the conviction of thoſe criminals who have not themſelves any eſtate or fund ſufficient for paying thoſe fees.

Thoſe local or provincial expenſes of which the benefit is local or provincial (what is laid out, for example, upon the police of a particular town or diſtrict) ought to be defrayed by a local or provincial revenue, and ought to be no burden upon the general revenue of the ſociety. It is unjuſt that the whole ſociety ſhould contribute towards an expenſe of which the benefit is confined to a part of the ſociety.

The expenſe of maintaining good roads and communications is, no doubt, beneficial to the whole ſociety, and may, therefore, without any injuſtice, be defrayed by the general contribution

of the whole ſociety. This expenſe, however, is moſt immediately and directly beneficial to thoſe who travel or carry goods from one place to another, and to thoſe who conſume ſuch goods. The turnpike tolls in England, and the duties called peages in other countries, lay it altogether upon thoſe two different ſets of people, and thereby diſcharge the general revenue of the ſociety from a very conſiderable burden.

The expenſe of the inſtitutions for education and religious inſtruction, is likewiſe, no doubt, beneficial to the whole ſociety, and may, therefore, without injuſtice, be defrayed by the general contribution of the whole ſociety. This expenſe, however, might perhaps with equal propriety, and even with ſome advantage, be defrayed altogether by thoſe who receive the immediate benefit of ſuch education and inſtruction, or by the voluntary contribution of thoſe who think they have occaſion for either the one or the other.

When the inſtitutions or public works which are beneficial to the whole ſociety, either cannot be maintained altogether, or are not maintained altogether by the contribution of ſuch particular members of the ſociety as are moſt immediately benefited by them, the deficiency muſt in moſt caſes be made up by the general contribution of the whole ſociety. The general revenue of the ſociety, over and above defraying the expenſe of defending the ſociety, and of ſupporting the dignity of the chief magiſtrate, muſt make up for

the deficiency of many particular branches of revenue. The ſources of this general or public revenue, I ſhall endeavour to explain in the following chapter.

CHAP. II.

Of the ſources of the general or public Revenue of the Society.

THE revenue which muſt defray, not only the expenſe of defending the ſociety and of ſupporting the dignity of the chief magiſtrate, but all the other neceſſary expenſes of government, for which the conſtitution of the ſtate has not provided any particular revenue, may be drawn, either, firſt, from ſome fund which peculiarly belongs to the ſovereign or commonwealth, and which is independent of the revenue of the people; or, ſecondly, from the revenue of the people.

PART I.

Of the Funds or Sources of Revenue which may peculiarly belong to the Sovereign or Commonwealth.

THE funds or ſources of revenue which may peculiarly belong to the ſovereign or commonwealth muſt conſiſt, either in ſtock, or in land.

The ſovereign, like any other owner of ſtock, may derive a revenue from it, either by employing it himſelf, or by lending it. His revenue is in the one caſe profit, in the other intereſt.

The revenue of a Tartar or Arabian chief conſiſts in profit. It ariſes principally from the milk and increaſe of his own herds and flocks, of which he himſelf ſuperintends the management, and is the principal ſhepherd or herdſman of his own horde or tribe. It is, however, in this earlieſt and rudeſt ſtate of civil government only that profit has ever made the principal part of the public revenue of a monarchical ſtate.

Small republics have ſometimes derived a conſiderable revenue from the profit of mercantile projects. The republic of Hamburgh is ſaid to do ſo from the profits of a public wine cellar and apothecary's ſhop *. The ſtate cannot be very great of which the ſovereign has leiſure to carry on the trade of a wine merchant or apothecary. The profit of a public bank has been a ſource of revenue to more conſiderable ſtates. It has been ſo not only to Hamburgh, but to

* See Mémoires concernant les Droits & Impoſitions en Europe: tome i. page 73. This work was compiled by the order of the court for the uſe of a commiſſion employed for ſome years paſt in conſidering the proper means for reforming the finances of France. The account of the French taxes, which takes up three volumes in quarto, may be regarded as perfectly authentic. That of thoſe of other European nations was compiled from ſuch informations as the French miniſters at the different courts could procure. It is much ſhorter, and probably not quite ſo exact as that of the French taxes.

Venice and Amſterdam. A revenue of this kind has even by ſome people been thought not below the attention of ſo great an empire as that of Great Britain. Reckoning the ordinary dividend of the bank of England at five and a half per cent. and its capital at ten millions ſeven hundred and eighty thouſand pounds, the neat annual profit, after paying the expenſe of management, muſt amount, it is ſaid, to five hundred and ninety-two thouſand nine hundred pounds. Government, it is pretended, could borrow this capital at three per cent. intereſt, and by taking the management of the bank into its own hands, might make a clear profit of two hundred and ſixty-nine thouſand five hundred pounds a year. The orderly, vigilant, and parſimonious adminiſtration of ſuch ariſtocracies as thoſe of Venice and Amſterdam, is extremely proper, it appears from experience, for the management of a mercantile project of this kind. But whether ſuch a government as that of England; which, whatever may be its virtues, has never been famous for good œconomy; which, in time of peace, has generally conducted itſelf with the ſlothful and negligent profuſion that is perhaps natural to monarchies; and in time of war has conſtantly acted with all the thoughtleſs extravagance that democracies are apt to fall into; could be ſafely truſted with the management of ſuch a project, muſt at leaſt be a good deal more doubtful.

The poſt office is properly a mercantile project. The government advances the expenſe of

eſtabliſhing the different offices, and of buying or hiring the neceſſary horſes or carriages, and is repaid with a large profit by the duties upon what is carried. It is perhaps the only mercantile project which has been ſucceſsfully managed by, I believe, every ſort of government. The capital to be advanced is not very conſiderable. There is no myſtery in the buſineſs. The returns are not only certain, but immediate.

Princes, however, have frequently engaged in many other mercantile projects, and have been willing, like private perſons, to mend their fortunes by becoming adventurers in the common branches of trade. They have ſcarce ever ſucceeded. The profuſion with which the affairs of princes are always managed, renders it almoſt impoſſible that they ſhould. The agents of a prince regard the wealth of their maſter as inexhauſtible; are careleſs at what price they buy; are careleſs at what price they ſell; are careleſs at what expenſe they tranſport his goods from one place to another. Thoſe agents frequently live with the profuſion of princes, and ſometimes too, in ſpite of that profuſion, and by a proper method of making up their accounts, acquire the fortunes of princes. It was thus, as we are told by Machiavel, that the agents of Lorenzo of Medicis, not a prince of mean abilities, carried on his trade. The republic of Florence was ſeveral times obliged to pay the debt into which their extravagance had involved him. He found it convenient, accordingly, to give up the buſineſs of merchant, the buſineſs

to which his family had originally owed their fortune, and in the latter part of his life to employ both what remained of that fortune, and the revenue of the ſtate of which he had the diſpoſal, in projects and expenſes more ſuitable to his ſtation.

No two characters ſeem more inconſiſtent than thoſe of trader and ſovereign. If the trading ſpirit of the Engliſh Eaſt India company renders them very bad ſovereigns; the ſpirit of ſovereignty ſeems to have rendered them equally bad traders. While they were traders only, they managed their trade ſucceſsfully, and were able to pay from their profits a moderate dividend to the proprietors of their ſtock. Since they became ſovereigns, with a revenue which, it is ſaid, was originally more than three millions ſterling, they have been obliged to beg the extraordinary aſſiſtance of government in order to avoid immediate bankruptcy. In their former ſituation, their ſervants in India conſidered themſelves as the clerks of merchants: In their preſent ſituation, thoſe ſervants conſider themſelves as the miniſters of ſovereigns.

A ſtate may ſometimes derive ſome part of its public revenue from the intereſt of money, as well as from the profits of ſtock. If it has amaſſed a treaſure, it may lend a part of that treaſure, either to foreign ſtates, or to its own ſubjects.

The canton of Berne derives a conſiderable revenue by lending a part of its treaſure to foreign ſtates; that is, by placing it in the public funds of the different indebted nations of Europe,

chiefly in thoſe of France and England. The ſecurity of this revenue muſt depend, firſt, upon the ſecurity of the funds in which it is placed, or upon the good faith of government which has the management of them; and, ſecondly, upon the certainty or probability of the continuance of peace with the debtor nation. In the caſe of a war, the very firſt act of hoſtility, on the part of the debtor nation, might be the forfeiture of the funds of its creditor. This policy of lending money to foreign ſtates is, ſo far as I know, peculiar to the canton of Berne.

The city of Hamburgh * has eſtabliſhed a ſort of public pawn-ſhop, which lends money to the ſubjects of the ſtate upon pledges at ſix per cent. intereſt. This pawn-ſhop or Lombard, as it is called, affords a revenue, it is pretended, to the ſtate of a hundred and fifty thouſand crowns, which, at four-and-ſixpence the crown, amounts to 33,750 *l.* ſterling.

The government of Pennſylvania, without amaſſing any treaſure, invented a method of lending, not money indeed, but what is equivalent to money, to its ſubjects. By advancing to private people, at intereſt, and upon land ſecurity to double the value, paper bills of credit to be redeemed fifteen years after their date, and in the mean time made transferable from hand to hand like bank notes, and declared by act of aſſembly to be a legal tender in all payments from one inhabitant of the province to another, it

* See Mémoires concernant les Droits & Impoſitions en Europe; tome i. p. 73.

raiſed a moderate revenue, which went a conſiderable way towards defraying an annual expenſe of about 4,500 *l.* the whole ordinary expenſe of that frugal and orderly government. The ſucceſs of an expedient of this kind muſt have depended upon three different circumſtances; firſt, upon the demand for ſome other inſtrument of commerce, beſides gold and ſilver money; or upon the demand for ſuch a quantity of conſumable ſtock, as could not be had without ſending abroad the greater part of their gold and ſilver money, in order to purchaſe it; ſecondly, upon the good credit of the government which made uſe of this expedient; and, thirdly, upon the moderation with which it was uſed, the whole value of the paper bills of credit never exceeding that of the gold and ſilver money which would have been neceſſary for carrying on their circulation, had there been no paper bills of credit. The ſame expedient was upon different occaſions adopted by ſeveral other American colonies: but, from want of this moderation, it produced, in the greater part of them, much more diſorder than conveniency.

The unſtable and periſhable nature of ſtock and credit, however, render them unfit to be truſted to, as the principal funds of that ſure, ſteady and permanent revenue, which can alone give ſecurity and dignity to government. The government of no great nation, that was advanced beyond the ſhepherd ſtate, ſeems ever to have derived the greater part of its public revenue from ſuch ſources.

Land is a fund of a more ſtable and permanent nature; and the rent of public lands, accordingly, has been the principal ſource of the public revenue of many a great nation that was much advanced beyond the ſhepherd ſtate. From the produce or rent of the public lands, the ancient republics of Greece and Italy derived, for a long time, the greater part of that revenue which defrayed the neceſſary expenſes of the commonwealth. The rent of the crown lands conſtituted for a long time the greater part of the revenue of the ancient ſovereigns of Europe.

War and the preparation for war, are the two circumſtances which in modern times occaſion the greater part of the neceſſary expenſe of all great ſtates. But in the ancient republics of Greece and Italy every citizen was a ſoldier, who both ſerved and prepared himſelf for ſervice at his own expenſe. Neither of thoſe two circumſtances, therefore, could occaſion any very conſiderable expenſe to the ſtate. The rent of a very moderate landed eſtate might be fully ſufficient for defraying all the other neceſſary expenſes of government.

In the ancient monarchies of Europe, the manners and cuſtoms of the times ſufficiently prepared the great body of the people for war; and when they took the field, they were, by the condition of their feudal tenures, to be maintained, either at their own expenſe, or at that of their immediate lords, without bringing any new charge upon the ſovereign. The other

expenfes of government were, the greater part of them, very moderate. The admininiftration of juftice, it has been fhown, inftead of being a caufe of expenfe, was a fource of revenue. The labor of the country people, for three days before and for three days after harveft, was thought a fund fufficient for making and maintaining all the bridges, highways, and other public works which the commerce of the country was fuppofed to require. In thofe days the principal expenfe of the fovereign feems to have confifted in the maintenance of his own family and houfhold. The officers of his houfhold, accordingly, were then the great officers of ftate. The lord treafurer received his rents. The lord fteward and lord chamberlain looked after the expenfe of his family. The care of his ftables was committed to the lord conftable and the lord marfhal. His houfes were all built in the form of caftles; and feem to have been the principal fortreffes which he poffeffed. The keepers of thofe houfes or caftles might be confidered as a fort of military governors. They feem to have been the only military officers whom it was neceffary to maintain in time of peace. In thefe circumftances the rent of a great landed eftate might, upon ordinary occafions, very well defray all the neceffary expenfes of government.

In the prefent ftate of the greater part of the civilized monarchies of Europe, the rent of all the lands in the country, managed as they probably would be if they all belonged to one proprietor, would fcarce perhaps amount to the

ordinary revenue which they levy upon the people even in peaceable times. The ordinary revenue of Great Britain, for example, including not only what is neceſſary for defraying the current expenſe of the year, but for paying the intereſt of the public debts, and for ſinking a part of the capital of thoſe debts, amounts to upwards of ten millions a year. But the land-tax, at four ſhillings in the pound, falls ſhort of two millions a year. This land-tax, as it is called, however, is ſuppoſed to be one-fifth, not only of the rent of all the land, but of that of all the houſes, and of the intereſt of all the capital ſtock of Great Britain, that part of it only excepted which is either lent to the public, or employed as farming ſtock in the cultivation of land. A very conſiderable part of the produce of this tax ariſes from the rent of houſes, and the intereſt of capital ſtock. The land-tax of the city of London, for example, at four ſhillings in the pound, amounts to 123,399*l.* 6*s.* 7*d.* That of the city of Weſtminſter, to 63,092*l.* 1*s.* 5*d.* That of the palaces of Whitehall and S. James's, to 30,754*l.* 6*s.* 3*d.* A certain proportion of the land-tax is in the ſame manner aſſeſſed upon all the other cities and towns corporate in the kingdom, and ariſes almoſt altogether, either from the rent of houſes, or from what is ſuppoſed to be the intereſt of trading and capital ſtock. According to the eſtimation, therefore, by which Great Britain is rated to the land-tax, the whole maſs of revenue ariſing from the rent of all the lands, from that of all the houſes, and from the

intereſt of all the capital ſtock, that part of it only excepted which is either lent to the public, or employed in the cultivation of land, does not exceed ten millions ſterling a year, the ordinary revenue which government levies upon the people even in peaceable times. The eſtimation by which Great Britain is rated to the land-tax is, no doubt, taking the whole kingdom at an average, very much below the real value; though in ſeveral particular counties and diſtricts it is ſaid to be nearly equal to that value. The rent of the lands alone, excluſive of that of houſes, and of the intereſt of ſtock, has by many people been eſtimated at twenty millions, an eſtimation made in a great meaſure at random, and which, I apprehend, is as likely to be above as below the truth. But if the lands of Great Britain, in the preſent ſtate of their cultivation, do not afford a rent of more than twenty millions a year, they could not well afford the half, moſt probably not the fourth part of that rent, if they all belonged to a ſingle proprietor, and were put under the negligent, expenſive, and oppreſſive management of his factors and agents. The crown lands of Great Britain do not at preſent afford the fourth part of the rent, which could probably be drawn from them if they were the property of private perſons. If the crown lands were more extenſive, it is probable, they would be ſtill worſe managed.

The revenue which the great body of the people derives from land is in proportion, not

to the rent, but to the produce of the land. The whole annual produce of the land of every country, if we except what is reserved for seed, is either annually consumed by the great body of the people, or exchanged for something else that is consumed by them. Whatever keeps down the produce of the land below what it would otherwise rise to, keeps down the revenue of the great body of the people, still more than it does that of the proprietors of land. The rent of land, that portion of the produce which belongs to the proprietors, is scarce anywhere in Great Britain supposed to be more than a third part of the whole produce. If the land, which in one state of cultivation affords a rent of ten millions sterling a year, would in another afford a rent of twenty millions; the rent being, in both cases, supposed a third part of the produce; the revenue of the proprietors would be less than it otherwise might be by ten millions a year only; but the revenue of the great body of the people would be less than it otherwise might be by thirty millions a year, deducting only what would be necessary for seed. The population of the country would be less by the number of people which thirty millions a year, deducting always the seed, could maintain, according to the particular mode of living and expense which might take place in the different ranks of men among whom the remainder was distributed.

Though there is not at present, in Europe, any civilized state of any kind which derives the

greater part of its public revenue from the rent of lands which are the property of the ftate; yet, in all the great monarchies of Europe, there are ftill many large tracts of land which belong to the crown. They are generally foreft; and fometimes foreft where, after travelling feveral miles, you will fcarce find a fingle tree; a mere wafte and lofs of country in refpect both of produce and population. In every great monarchy of Europe the fale of the crown lands would produce a very large fum of money, which, if applied to the payment of the public debts, would deliver from mortgage a much greater revenue than any which thofe lands have ever afforded to the crown. In countries where lands, improved and cultivated very highly, and yielding at the time of fale as great a rent as can eafily be got from them, commonly fell at thirty years purchafe; the unimproved, uncultivated, and low-rented crown lands might well be expected to fell at forty, fifty, or fixty years purchafe. The crown might immediately enjoy the revenue which this great price would redeem from mortgage. In the courfe of a few years it would probably enjoy another revenue. When the crown lands had become private property, they would, in the courfe of a few years, become well-improved and well-cultivated. The increafe of their produce would increafe the population of the country, by augmenting the revenue and confumption of the people. But the revenue which the crown derives from the duties of cuftoms and excife, would neceffarily

increafe with the revenue and confumption of the people.

The revenue which, in any civilized monarchy, the crown derives from the crown lands, though it appears to coft nothing to individuals, in reality cofts more to the fociety than perhaps any other equal revenue which the crown enjoys. It would, in all cafes, be for the intereft of the fociety to replace this revenue to the crown by fome other equal revenue, and to divide the lands among the people, which could not well be done better, perhaps, than by expofing them to public fale.

Lands, for the purpofes of pleafure and magnificence, parks, gardens, public walks, &c. poffeffions which are every where confidered as caufes of expenfe, not as fources of revenue, feem to be the only lands which, in a great and civilized monarchy, ought to belong to the crown.

Public ftock and public lands, therefore, the two fources of revenue which may peculiarly belong to the fovereign or commonwealth, being both improper and infufficient funds for defraying the neceffary expenfe of any great and civilized ftate; it remains that this expenfe muft, the greater part of it, be defrayed by taxes of one kind or another; the people contributing a part of their own private revenue in order to make up a public revenue to the fovereign or commonwealth.

PART II.

Of Taxes.

THE private revenue of individuals, it has been ſhown in the firſt book of this Inquiry, ariſes ultimately from three different ſources; Rent, Profit, and Wages. Every tax muſt finally be paid from ſome one or other of thoſe three different ſorts of revenue, or from all of them indifferently. I ſhall endeavour to give the beſt account I can, firſt, of thoſe taxes which, it is intended, ſhould fall upon rent; ſecondly, of thoſe which, it is intended, ſhould fall upon profit; thirdly, of thoſe which it is intended, ſhould fall upon wages; and, fourthly, of thoſe which, it is intended, ſhould fall indifferently upon all thoſe three different ſources of private revenue. The particular conſideration of each of theſe four different ſorts of taxes will divide the ſecond part of the preſent chapter into four articles, three of which will require ſeveral other ſubdiviſions. Many of thoſe taxes, it will appear from the following review, are not finally paid from the fund, or ſource of revenue, upon which it was intended they ſhould fall.

Before I enter upon the examination of particular taxes, it is neceſſary to premiſe the four following maxims with regard to taxes in general.

I. The ſubject of every ſtate ought to contribute towards the ſupport of the government, as nearly as poſſible, in proportion to their reſpective abilities; that is, in proportion to the

revenue which they refpectively enjoy under the protection of the ftate. The expenfe of government to the individuals of a great nation, is like the expenfe of management to the joint tenants of a great eftate, who are all obliged to contribute in proportion to their refpective interefts in the eftate. In the obfervation or neglect of this maxim confifts, what is called the equality or inequality of taxation. Every tax, it muft be obferved once for all, which falls finally upon one only of the three forts of revenue above-mentioned, is neceffarily unequal, in fo far as it does not affect the other two. In the following examination of different taxes I fhall feldom take much further notice of this fort of inequality, but fhall, in moft cafes, confine my obfervations to that inequality which is occafioned by a particular tax falling unequally even upon that particular fort of private revenue which is affected by it.

II. The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other perfon. Where it is otherwife, every perfon fubject to the tax is put more or lefs in the power of the tax-gatherer, who can either aggravate the tax upon any obnoxious contributor, or extort, by the terror of fuch aggravation, fome prefent or perquifite to himfelf. The uncertainty of taxation encourages the infolence and favors the corruption of an order of men who are naturally

unpopular, even where they are neither infolent nor corrupt. The certainty of what each individual ought to pay is, in taxation, a matter of fo great importance, that a very confiderable degree of inequality, it appears, I believe, from the experience of all nations, is not near fo great an evil as a very fmall degree of uncertainty.

III. Every tax ought to be levied at the time, or in the manner, in which it is moft likely to be convenient for the contributor to pay it. A tax upon the rent of land or of houfes, payable at the fame term at which fuch rents are ufually paid, is levied at the time when it is moft likely to be convenient for the contributor to pay; or, when he is moft likely to have wherewithal to pay. Taxes upon fuch confumable goods as are articles of luxury, are all finally paid by the confumer, and generally in a manner that is very convenient for him. He pays them by little and little, as he has occafion to buy the goods. As he is at liberty too, either to buy, or not to buy, as he pleafes, it muft be his own fault if he ever fuffers any confiderable inconveniency from fuch taxes.

IV. Every tax ought to be fo contrived as both to take out and to keep out of the pockets of the people as little as poffible, over and above what it brings into the public treafury of the ftate. A tax may either take out or keep out of the pockets of the people a great deal more than it brings into the public treafury, in the four following ways. Firft, the levying of it may require a great number of officers, whofe falaries may eat up the greater part of the produce of the

tax, and whoſe perquiſites may impoſe another additional tax upon the people. Secondly, it may obſtruct the induſtry of the people, and diſcourage them from applying to certain branches of buſineſs which might give maintenance and employment to great multitudes. While it obliges the people to pay, it may thus diminiſh, or perhaps deſtroy, ſome of the funds which might enable them more eaſily to do ſo. Thirdly, by the forfeitures and other penalties which thoſe unfortunate individuals incur who attempt unſucceſsfully to evade the tax, it may frequently ruin them, and thereby put an end to the benefit which the community might have received from the employment of their capitals. An injudicious tax offers a great temptation to ſmuggling. But the penalties of ſmuggling muſt riſe in proportion to the temptation. The law, contrary to all the ordinary principles of juſtice, firſt creates the temptation, and then puniſhes thoſe who yield to it; and it commonly enhances the puniſhment too in proportion to the very circumſtance which ought certainly to alleviate it, the temptation to commit the crime *. Fourthly, by ſubjecting the people to the frequent viſits and the odious examination of the tax-gatherers, it may expoſe them to much unneceſſary trouble, vexation, and oppreſſion; and though vexation is not, ſtrictly ſpeaking, expenſe, it is certainly equivalent to the expenſe at which every man would be willing to redeem himſelf from it. It is in ſome one or other of theſe four

* See Sketches of the Hiſtory of Man, page 474. & ſeq.

different ways that taxes are frequently ſo much more burdenſome to the people than they are beneficial to the ſovereign.

The evident juſtice and utility of the foregoing maxims have recommended them more or leſs to the attention of all nations. All nations have endeavoured, to the beſt of their judgment, to render their taxes as equal as they could contrive; as certain, as convenient to the contributor, both in the time and in the mode of payment and, in proportion to the revenue which they brought to the prince, as little burdenſome to the people. The following ſhort review of ſome of the principal taxes which have taken place in different ages and countries will ſhow, that the endeavours of all nations have not, in this reſpect, been equally ſucceſsful.

ARTICLE I.

Taxes upon rent. Taxes upon the rent of Land.

A TAX upon the rent of land may either be impoſed according to a certain canon, every diſtrict being valued at a certain rent, which valuation is not afterwards to be altered; or it may be impoſed in ſuch a manner as to vary with every variation in the real rent of the land, and to riſe or fall with the improvement or declenſion of its cultivation.

A land-tax which, like that of Great Britain, is aſſeſſed upon each diſtrict according to a certain invariable canon, though it ſhould be equal at the time of its firſt eſtabliſhment, neceſſarily becomes unequal in proceſs of time, according

to the unequal degrees of improvement or neglect in the cultivation of the different parts of the country. In England, the valuation according to which the different counties and pariſhes were aſſeſſed to the land-tax by the 4th of William and Mary, was very unequal even at its firſt eſtabliſhment. This tax, therefore, ſo far offends againſt the firſt of the four maxims above-mentioned. It is perfectly agreeable to the other three. It is perfectly certain. The time of payment for the tax, being the ſame as that for the rent, is as convenient as it can be to the contributor. Though the landlord is in all caſes the real contributor, the tax is commonly advanced by the tenant, to whom the landlord is obliged to allow it in the payment of the rent. This tax is levied by a much ſmaller number of officers than any other which affords nearly the ſame revenue. As the tax upon each diſtrict does not riſe with the riſe of the rent, the ſovereign does not ſhare in the profits of the landlord's improvements. Thoſe improvements ſometimes contribute, indeed, to the diſcharge of the other landlords of the diſtrict. But the aggravation of the tax, which this may ſometimes occaſion upon a particular eſtate, is always ſo very ſmall, that it never can diſcourage thoſe improvements, nor keep down the produce of the land below what it would otherwiſe riſe to. As it has no tendency to diminiſh the quantity, it can have none to raiſe the price of that produce. It does not obſtruct the induſtry of the people. It ſubjects the landlord to no other inconveniency beſides the unavoidable one of paying the tax.

The advantage, however, which the landlord has derived from the invariable conſtancy of the valuation by which all the lands of Great Britain are rated to the land-tax, has been principally owing to ſome circumſtances altogether extraneous to the nature of the tax.

It has been owing in part to the great proſperity of almoſt every part of the country, the rents of almoſt all the eſtates of Great Britain having, ſince the time when this valuation was firſt eſtabliſhed, been continually riſing, and ſcarce any of them having fallen. The landlords, therefore, have almoſt all gained the difference between the tax which they would have paid, according to the preſent rent of their eſtates, and that which they actually pay according to the ancient valuation. Had the ſtate of the country been different, had rents been gradually falling in conſequence of the declenſion of cultivation, the landlords would almoſt all have loſt this difference. In the ſtate of things which has happened to take place ſince the revolution, the conſtancy of the valuation has been advantageous to the landlord and hurtful to the ſovereign. In a different ſtate of things it might have been advantageous to the ſovereign and hurtful to the landlord.

As the tax is made payable in money, ſo the valuation of the land is expreſſed in money. Since the eſtabliſhment of this valuation the value of ſilver has been pretty uniform, and there has been no alteration in the ſtandard of the coin either as to weight or fineneſs. Had ſilver riſen conſiderably in its value, as it ſeems to have done

in the courſe of the two centuries which preceded the diſcovery of the mines of America, the conſtancy of the valuation might have proved very oppreſſive to the landlord. Had ſilver fallen conſiderably in its value, as it certainly did for about a century at leaſt after the diſcovery of thoſe mines, the ſame conſtancy of valuation would have reduced very much this branch of the revenue of the ſovereign. Had any conſiderable alteration been made in the ſtandard of the money, either by ſinking the ſame quantity of ſilver to a lower denomination, or by raiſing it to a higher; had an ounce of ſilver, for example, inſtead of being coined into five ſhillings and two-pence, been coined, either into pieces which bore ſo low a denomination as two ſhillings and ſeven-pence, or into pieces which bore ſo high a one as ten ſhillings and four-pence, it would in the one caſe have hurt the revenue of the proprietor, in the other that of the ſovereign.

In circumſtances, therefore, ſomewhat different from thoſe which have actually taken place, this conſtancy of valuation might have been a very great inconveniency, either to the contributors, or to the commonwealth. In the courſe of ages ſuch circumſtances, however, muſt, at ſome time or other, happen. But though empires, like all the other works of men, have all hitherto proved mortal, yet every empire aims at immortality. Every conſtitution, therefore, which it is meant ſhould be as permanent as the empire itſelf, ought to be convenient, not in certain circumſtances only, but in all circumſtances;

or ought to be ſuited, not to thoſe circumſtances which are tranſitory, occaſional, or accidental, but to thoſe which are neceſſary and therefore always the ſame.

A tax upon the rent of land which varies with every variation of the rent, or which riſes and falls according to the improvement or neglect of cultivation, is recommended by that ſect of men of letters in France, who call themſelves the œconomiſts, as the moſt equitable of all taxes. All taxes, they pretend, fall ultimately upon the rent of land, and ought therefore to be impoſed equally upon the fund which muſt finally pay them. That all taxes ought to fall as equally as poſſible upon the fund which muſt finally pay them, is certainly true. But without entering into the diſagreeable diſcuſſion of the metaphyſical arguments by which they ſupport their very ingenious theory, it will ſufficiently appear, from the following review, what are the taxes which fall finally upon the rent of the land, and what are thoſe which fall finally upon ſome other fund.

In the Venetian territory all the arable lands which are given in leaſe to farmers are taxed at a tenth of the rent *. The leaſes are recorded in a public regiſter which is kept by the officers of revenue in each province or diſtrict. When the proprietor cultivates his own lands, they are valued according to an equitable eſtimation, and he is allowed a deduction of one-fifth of the tax, ſo that for ſuch lands he pays only eight inſtead of ten per cent. of the ſuppoſed rent.

* Mémoires concernant les Droits, p. 240. 241.

A land-tax of this kind is certainly more equal than the land-tax of England. It might not, perhaps, be altogether ſo certain, and the aſſeſſment of the tax might frequently occaſion a good deal more trouble to the landlord. It might too be a good deal more expenſive in the levying.

Such a ſyſtem of adminiſtration, however, might perhaps be contrived as would, in a great meaſure, both prevent this uncertainty and moderate this expenſe.

The landlord and tenant, for example, might jointly be obliged to record their leaſe in a public regiſter. Proper penalties might be enacted againſt concealing or miſrepreſenting any of the conditions; and if part of thoſe penalties were to be paid to either of the two parties who informed againſt and convicted the other of ſuch concealment or miſrepreſentation, it would effectually deter them from combining together in order to defraud the public revenue. All the conditions of the leaſe might be ſufficiently known from ſuch a record.

Some landlords, inſtead of raiſing the rent, take a fine for the renewal of the leaſe. This practice is in moſt caſes the expedient of a ſpendthrift, who for a ſum of ready money ſells a future revenue of much greater value. It is in moſt caſes, therefore, hurtful to the landlord. It is frequently hurtful to the tenant, and it is always hurtful to the community. It frequently takes from the tenant ſo great a part of his capital, and thereby diminiſhes ſo much his ability to cultivate the land, that he finds it

more difficult to pay a ſmall rent than it would otherwiſe have been to pay a great one. Whatever diminiſhes his ability to cultivate, neceſſarily keeps down, below what it would otherwiſe have been, the moſt important part of the revenue of the community. By rendering the tax upon ſuch fines a good deal heavier than upon the ordinary rent, this hurtful practice might be diſcouraged, to the no ſmall advantage of all the different parties concerned, of the landlord, of the tenant, of the ſovereign, and of the whole community.

Some leaſes preſcribe to the tenant a certain mode of cultivation, and a certain ſucceſſion of crops during the whole continuance of the leaſe. This condition, which is generally the effect of the landlord's conceit of his own ſuperior knowledge (a conceit in moſt caſes very ill founded), ought always to be conſidered as an additional rent; as a rent in ſervice inſtead of a rent in money. In order to diſcourage the practice, which is generally a fooliſh one, this ſpecies of rent might be valued rather high, and conſequently taxed ſomewhat higher than common money rents.

Some landlords, inſtead of a rent in money, require a rent in kind, in corn, cattle, poultry, wine, oil, &c. others again require a rent in ſervice. Such rents are always more hurtful to the tenant than beneficial to the landlord. They either take more or keep more out of the pocket of the former, than they put into that of the latter. In every country where they take place,

the tenants are poor and beggarly, pretty much according to the degree in which they take place. By valuing, in the ſame manner, ſuch rents rather high, and conſequently taxing them ſomewhat higher than common money rents, a practice which is hurtful to the whole community might perhaps be ſufficiently diſcouraged.

When the landlord choſe to occupy himſelf a part of his own lands, the rent might be valued according to an equitable arbitration of the farmers and landlords in the neighbourhood, and a moderate abatement of the tax might be granted to him, in the ſame manner as in the Venetian territory; provided the rent of the lands which he occupied did not exceed a certain ſum. It is of importance that the landlord ſhould be encouraged to cultivate a part of his own land. His capital is generally greater than that of the tenant, and with leſs ſkill he can frequently raiſe a greater produce. The landlord can afford to try experiments, and is generally diſpoſed to do ſo. His unſucceſsful experiments occaſion only a moderate loſs to himſelf. His ſucceſsful ones contribute to the improvement and better cultivation of the whole country. It might be of importance, however, that the abatement of the tax ſhould encourage him to cultivate to a certain extent only. If the landlords ſhould, the greater part of them, be tempted to farm the whole of their own lands, the country (inſtead of ſober and induſtrious tenants, who are bound by their own intereſt to cultivate as well as their capital and ſkill will

allow them) would be filled with idle and profligate bailiffs, whofe abufive management would foon degrade the cultivation, and reduce the annual produce of the land, to the diminution, not only of the revenue of their mafters, but of the moft important part of that of the whole fociety.

Such a fyftem of adminiftration might, perhaps, free a tax of this kind from any degree of uncertainty which could occafion either oppreffion or inconveniency to the contributor; and might at the fame time ferve to introduce into the common management of land fuch a plan or policy, as might contribute a good deal to the general improvement and good cultivation of the country.

The expenfe of levying a land-tax, which varied with every variation of the rent, would no doubt be fomewhat greater than that of levying one which was always rated according to a fixed valuation. Some additional expenfe would neceffarily be incurred both by the different regifter offices which it would be proper to eftablifh in the different diftricts of the country, and by the different valuations which might occafionally be made of the lands which the proprietor chofe to occupy himfelf. The expenfe of all this, however, might be very moderate, and much below what is incurred in the levying of many other taxes, which afford a very inconfiderable revenue in comparifon of what might eafily be drawn from a tax of this kind.

The

The difcouragement which a variable land-tax of this kind might give to the improvement of land, feems to be the moft important objection which can be made to it. The landlord would certainly be lefs difpofed to improve, when the fovereign, who contributed nothing to the expenfe, was to fhare in the profit of the improvement. Even this objection might perhaps be obviated by allowing the landlord, before he began his improvement, to afcertain, in conjunction with the officers of revenue, the actual value of his lands, according to the equitable arbitration of a certain number of landlords and farmers in the neighbourhood, equally chofen by both parties; and by rating him according to this valuation for fuch a number of years, as might be fully fufficient for his compleat indemnification. To draw the attention of the fovereign towards the improvement of the land, from a regard to the increafe of his own revenue, is one of the principal advantages propofed by this fpecies of land-tax. The term, therefore, allowed for the indemnification of the landlord, ought not to be a great deal longer than what was neceffary for that purpofe; left the remotenefs of the intereft fhould difcourage too much this attention. It had better, however, be fomewhat too long than in any refpect too fhort. No incitement to the attention of the fovereign can ever counterbalance the fmalleft difcouragement to that of the landlord. The attention of the fovereign can be at beft but a very general and vague confideration of what is likely to contribute

to the better cultivation of the greater part of his dominions. The attention of the landlord is a particular and minute conſideration of what is likely to be the moſt advantageous application of every inch of ground upon his eſtate. The principal attention of the ſovereign ought to be to encourage, by every means in his power, the attention both of the landlord and of the farmer; by allowing both to purſue their own intereſt in their own way, and according to their own judgment; by giving to both the moſt perfect ſecurity that they ſhall enjoy the full recompence of their own induſtry; and by procuring to both the moſt extenſive market for every part of their produce, in conſequence of eſtabliſhing the eaſieſt and ſafeſt communications both by land and by water, through every part of his own dominions, as well as the moſt unbounded freedom of exportation to the dominions of all other princes.

If by ſuch a ſyſtem of adminiſtration a tax of this kind could be ſo managed as to give, not only no diſcouragement, but, on the contrary, ſome encouragement to the improvement of land, it does not appear likely to occaſion any other inconveniency to the landlord, except always the unavoidable one of being obliged to pay the tax.

In all the variations of the ſtate of the ſociety, in the improvement and in the declenſion of agriculture; in all the variations in the value of ſilver, and in all thoſe in the ſtandard of the coin, a tax of this kind would, of its own accord and without any attention of government, readily

ſuit itſelf to the actual ſituation of things, and would be equally juſt and equitable in all thoſe different changes. It would, therefore, be much more proper to be eſtabliſhed as a perpetual and unalterable regulation, or as what is called a fundamental law of the commonwealth, than any tax which was always to be levied according to a certain valuation.

Some ſtates, inſtead of the ſimple and obvious expedient of a regiſter of leaſes, have had recourſe to the laborious and expenſive one of an actual ſurvey and valuation of all the land in the country. They have ſuſpected, probably, that the leſſor and leſſee, in order to defraud the public revenue, might combine to conceal the real terms of the leaſe. Doomſday-book ſeems to have been the reſult of a very accurate ſurvey of this kind.

In the ancient dominions of the king of Pruſſia, the land-tax is aſſeſſed according to an actual ſurvey and valuation, which is reviewed and altered from time to time *. According to that valuation, the lay proprietors pay from twenty to twenty-five per cent. of their revenue. Eccleſiaſtics from forty to forty-five per cent. The ſurvey and valuation of Sileſia was made by order of the preſent king; it is ſaid with great accuracy. According to that valuation, the lands belonging to the biſhop of Breſlaw are taxed at twenty-five per cent. of their rent. The

* Mémoires concernant les Droits, &c. tome i. p. 114, 115, 116, &c.

other revenues of the ecclefiaftics of both religions, at fifty per cent. The commanderies of the Teutonic order, and of that of Malta, at forty per cent. Lands held by a noble tenure, at thirty-eight and one-third per cent. Lands held by a bafe tenure, at thirty-five and one-third per cent.

The furvey and valuation of Bohemia is faid to have been the work of more than a hundred years. It was not perfected till after the peace of 1748, by the orders of the prefent emprefs queen *. The furvey of the dutchy of Milan, which was begun in the time of Charles VI., was not perfected till after 1760. It is efteemed one of the moft accurate that has ever been made. The furvey of Savoy and Piedmont was executed under the orders of the late king of Sardinia †.

In the dominions of the king of Pruffia the revenue of the church is taxed much higher than that of lay proprietors. The revenue of the church is, the greater part of it, a burden upon the rent of land. It feldom happens that any part of it is applied towards the improvement of land; or is fo employed as to contribute in any refpect towards increafing the revenue of the great body of the people. His Pruffian majefty had probably, upon that account, thought it reafonable, that it fhould contribute a good deal more towards relieving the exigencies

* Mémoires concernant les Droits, &c. tome i. p. 83, 84

† Id. p. 280, &c. alfo p. 287, &c. to 316.

of the ſtate. In ſome countries the lands of the church are exempted from all taxes. In others they are taxed more lightly than other lands. In the dutchy of Milan, the lands which the church poſſeſſed before 1575, are rated to the tax at a third only of their value.

In Sileſia, lands held by a noble tenure are taxed three per cent. higher than thoſe held by a baſe tenure. The honors and privileges of different kinds annexed to the former, his Pruſſian majeſty had probably imagined, would ſufficiently compenſate to the proprietor a ſmall aggravation of the tax; while at the ſame time the humiliating inferiority of the latter would be in ſome meaſure alleviated by being taxed ſomewhat more lightly. In other countries, the ſyſtem of taxation, inſtead of alleviating, aggravates this inequality. In the dominions of the king of Sardinia, and in thoſe provinces of France which are ſubject to what is called the real or predial taille, the tax falls altogether upon the lands held by a baſe tenure. Thoſe held by a noble one are exempted.

A land-tax aſſeſſed according to a general ſurvey and valuation, how equal ſoever it may be at firſt, muſt, in the courſe of a very moderate period of time, become unequal. To prevent its becoming ſo would require the continual and painful attention of government to all the variations in the ſtate and produce of every different farm in the country. The governments of Pruſſia, of Bohemia, of Sardinia, and of the dutchy of Milan, actually exert an attention of this kind; an attention ſo unſuitable

to the nature of government, that it is not likely to be of long continuance, and which, if it is continued, will probably in the long-run occasion much more trouble and vexation than it can possibly bring relief to the contributors.

In 1666, the generality of Montauban was assessed to the Real or predial taille according, it is said, to a very exact survey and valuation*. By 1727, this assessment had become altogether unequal. In order to remedy this inconveniency, government has found no better expedient than to impose upon the whole generality an additional tax of a hundred and twenty thousand livres. This additional tax is rated upon all the different districts subject to the taille according to the old assessment. But it is levied only upon those which in the actual state of things are by that assessment under-taxed, and it is applied to the relief of those which by the same assessment are over-taxed. Two districts, for example, one of which ought in the actual state of things to be taxed at nine hundred, the other at eleven hundred livres, are by the old assessment both taxed at a thousand livres. Both these districts are by the additional tax rated at eleven hundred livres each. But this additional tax is levied only upon the district under-charged, and it is applied altogether to the relief of that over-charged, which consequently pays only nine hundred livres. The government neither gains nor loses by the additional tax, which is applied altogether to remedy the

* Mémoires concernant les Droits, &c. tome ii. p. 139, &c.

inequalities arifing from the old affeffment. The application is pretty much regulated according to the difcretion of the intendant of the generality, and muft, therefore, be in a great meafure arbitrary.

Taxes which are proportioned, not to the Rent, but to the Produce of Land.

TAXES upon the produce of land are in reality taxes upon the rent; and though they may be originally advanced by the farmer, are finally paid by the landlord. When a certain portion of the produce is to be paid away for a tax, the farmer computes, as well as he can, what the value of this portion is, one year with another, likely to amount to, and he makes a proportionable abatement in the rent which he agrees to pay to the landlord. There is no farmer who does not compute beforehand what the church tithe, which is a land-tax of this kind, is, one year with another, likely to amount to.

The tithe, and every other land-tax of this kind, under the appearance of perfect equality, are very unequal taxes; a certain portion of the produce being, in different fituations, equivalent to a very different portion of the rent. In fome very rich lands the produce is fo great, that the one half of it is fully fufficient to replace to the farmer his capital employed in cultivation, together with the ordinary profits of farming ftock in the neighbourhood. The other half, or, what comes to the fame thing, the value of the other half, he could afford to pay as rent to the landlord,

if there was no tithe. But if a tenth of the produce is taken from him in the way of tithe, he muſt require an abatement of the fifth part of his rent, otherwiſe he cannot get back his capital with the ordinary profit. In this caſe the rent of the landlord, inſtead of amounting to a half, or five-tenths of the whole produce, will amount only to four-tenths of it. In poorer lands, on the contrary, the produce is ſometimes ſo ſmall, and the expenſe of cultivation ſo great, that it requires four-fifths of the whole produce to replace to the farmer his capital with the ordinary profit. In this caſe, though there was no tithe, the rent of the landlord could amount to no more than one-fifth or two-tenths of the whole produce. But if the farmer pays one-tenth of the produce in the way of tithe, he muſt require an equal abatement of the rent of the landlord, which will thus be reduced to one-tenth only of the whole produce. Upon the rent of rich lands, the tithe may ſometimes be a tax of no more than one-fifth part, or four ſhillings in the pound; whereas upon that of poorer lands, it may ſometimes be a tax of one-half, or of ten ſhillings in the pound.

The tithe, as it is frequently a very unequal tax upon the rent, ſo it is always a great diſcouragement both to the improvements of the landlord and to the cultivation of the farmer. The one cannot venture to make the moſt important, which are generally the moſt expenſive improvements; nor the other to raiſe the moſt valuable, which are generally too the moſt expenſive crops;

when the church, which lays out no part of the expenſe, is to ſhare ſo very largely in the profit. The cultivation of madder was for a long time confined by the tithe to the United Provinces, which, being preſbyterian countries, and upon that account exempted from this deſtructive tax, enjoyed a ſort of monopoly of that uſeful dying drug againſt the reſt of Europe. The late attempts to introduce the culture of this plant into England, have been made only in conſequence of the ſtatute which enacted that five ſhillings an acre ſhould be received in lieu of all manner of tithe upon madder.

As through the greater part of Europe, the church, ſo in many different countries of Aſia, the ſtate, is principally ſupported by a land-tax, proportioned, not to the rent, but to the produce of the land. In China, the principal revenue of the ſovereign conſiſts in a tenth part of the produce of all the lands of the empire. This tenth part, however, is eſtimated ſo very moderately, that, in many provinces, it is ſaid not to exceed a thirtieth part of the ordinary produce. The land-tax or land-rent which uſed to be paid to the Mahometan government of Bengal, before that country fell into the hands of the Engliſh Eaſt India Company, is ſaid to have amounted to about a fifth part of the produce. The land-tax of ancient Egypt is ſaid likewiſe to have amounted to a fifth part.

In Aſia, this ſort of land-tax is ſaid to intereſt the ſovereign in the improvement and cultivation of land. The ſovereigns of China, thoſe of

Bengal while under the Mahometan government, and thofe of ancient Egypt, are faid accordingly to have been extremely attentive to the making and maintaining of good roads and navigable canals, in order to increafe, as much as poffible, both the quantity and value of every part of the produce of the land, by procuring to every part of it the moft extenfive market which their own dominions could afford. The tithe of the church is divided into fuch fmall portions, that no one of its proprietors can have any intereft of this kind. The parfon of a parifh could never find his account in making a road or canal to a diftant part of the country, in order to extend the market for the produce of his own particular parifh. Such taxes, when deftined for the maintenance of the ftate, have fome advantages which may ferve in fome meafure to balance their inconveniency. When deftined for the maintenance of the church, they are attended with nothing but inconveniency.

Taxes upon the produce of land may be levied, either in kind; or, according to a certain valuation, in money.

The parfon of a parifh, or a gentleman of fmall fortune who lives upon his eftate, may fometimes, perhaps, find fome advantage in receiving, the one his tithe, and the other his rent, in kind. The quantity to be collected, and the diftrict within which it is to be collected, are fo fmall, that they both can overfee, with their own eyes, the collection and difpofal of every part of what is due to them. A gentleman of great fortune,

who lived in the capital, would be in danger of ſuffering much by the neglect, and more by the fraud of his factors and agents, if the rents of an eſtate in a diſtant province were to be paid to him in this manner. The loſs of the ſovereign, from the abuſe and depredation of his tax-gatherers, would neceſſarily be much greater. The ſervants of the moſt careleſs private perſon are, perhaps, more under the eye of their maſter than thoſe of the moſt careful prince; and a public revenue, which was paid in kind, would ſuffer ſo much from the miſmanagement of the collectors, that a very ſmall part of what was levied upon the people would ever arrive at the treaſury of the prince. Some part of the public revenue of China, however, is ſaid to be paid in this manner. The Mandarins and other tax-gatherers will, no doubt, find their advantage in continuing the practice of a payment which is ſo much more liable to abuſe than any payment in money.

A tax upon the produce of land which is levied in money, may be levied either according to a valuation which varies with all the variations of the market price; or according to a fixed valuation, a buſhel of wheat, for example, being always valued at one and the ſame money price, whatever may be the ſtate of the market. The produce of a tax levied in the former way, will vary only according to the variations in the real produce of the land, according to the improvement or neglect of cultivation. The produce of a tax levied in the latter way will vary,

not only according to the variations in the produce of the land, but according to both thoſe in the value of the precious metals, and thoſe in the quantity of thoſe metals which is at different times contained in coin of the ſame denomination. The produce of the former will always bear the ſame proportion to the value af the real produce of the land. The produce of the latter may, at different times, bear very different proportions to that value.

When, inſtead either of a certain portion of the produce of land, or of the price of a certain portion, a certain ſum of money is to be paid in full compenſation for all tax or tithe; the tax becomes, in this caſe, exactly of the ſame nature with the land-tax of England. It neither riſes nor falls with the rent of the land. It neither encourages nor diſcourages improvement. The tithe in the greater part of thoſe pariſhes which pay what is called a Modus in lieu of all other tithe, is a tax of this kind. During the Mahometan government of Bengal, inſtead of the payment in kind of a fifth part of the produce, a modus, and, it is ſaid, a very moderate one, was eſtabliſhed in the greater part of the diſtricts or zemindaries of the country. Some of the ſervants of the Eaſt India Company, under pretence of reſtoring the public revenue to its proper value, have, in ſome provinces, exchanged this modus for a payment in kind. Under their management this change is likely both to diſcourage cultivation, and to give new opportunities for abuſe in the collection of the public

revenue, which has fallen very much below what it was ſaid to have been, when it firſt fell under the management of the company. The ſervants of the company may, perhaps, have profited by this change, but at the expenſe, it is probable, both of their maſters and of the country.

Taxes upon the Rent of Houſes.

THE rent of a houſe may be diſtinguiſhed into two parts, of which the one may very properly be called the Building rent; the other is commonly called the Ground rent.

The building rent is the intereſt or profit of the capital expended in building the houſe. In order to put the trade of a builder upon a level with other trades, it is neceſſary that this rent ſhould be ſufficient, firſt, to pay him the ſame intereſt which he would have got for his capital if he had lent it upon good ſecurity; and, ſecondly, to keep the houſe in conſtant repair, or, what comes to the ſame thing, to replace, within a certain term of years, the capital which had been employed in building it. The building rent, or the ordinary profit of building, is, therefore, every where regulated by the ordinary intereſt of money. Where the market rate of intereſt is four per cent., the rent of a houſe which, over and above paying the ground rent, affords ſix, or ſix and a half per cent. upon the whole expenſe of building, may perhaps afford a ſufficient profit to the builder. Where the market rate of intereſt is five per cent., it may perhaps require ſeven or ſeven and a half per cent. If,

in proportion to the intereſt of money, the trade of the builder affords at any time a much greater profit than this, it will ſoon draw ſo much capital from other trades as will reduce the profit to its proper level. If it affords at any time much leſs than this, other trades will ſoon draw ſo much capital from it as will again raiſe that profit.

Whatever part of the whole rent of a houſe is over and above what is ſufficient for affording this reaſonable profit, naturally goes to the ground-rent; and where the owner of the ground and the owner of the building are two different perſons, is, in moſt caſes, compleatly paid to the former. This ſurplus rent is the price which the inhabitant of the houſe pays for ſome real or ſuppoſed advantage of the ſituation. In country houſes, at a diſtance from any great town, where there is plenty of ground to chuſe upon, the ground rent is ſcarce any thing, or no more than what the ground which the houſe ſtands upon would pay if employed in agriculture. In country villas in the neighbourhood of ſome great town, it is ſometimes a good deal higher; and the peculiar conveniency or beauty of ſituation is there frequently very well paid for. Ground rents are generally higheſt in the capital, and in thoſe particular parts of it where there happens to be the greateſt demand for houſes, whatever be the reaſon of that demand, whether for trade and buſineſs, for pleaſure and ſociety, or for mere vanity and faſhion.

A tax upon houſe-rent, payable by the tenant and proportioned to the whole rent of each houſe,

could not, for any confiderable time at leaft, affect the building rent. If the builder did not get his reafonable profit, he would be obliged to quit the trade, which, by raifing the demand for building, would in a fhort time bring back his profit to its proper level with that of other trades. Neither would fuch a tax fall altogether upon the ground-rent; but it would divide itfelf in fuch a manner as to fall, partly upon the inhabitant of the houfe, and partly upon the owner of the ground.

Let us fuppofe, for example, that a particular perfon judges that he can afford for houfe-rent an expenfe of fixty pounds a year; and let us fuppofe too that a tax of four fhillings in the pound, or of one-fifth, payable by the inhabitant, is laid upon houfe-rent. A houfe of fixty pounds rent will in this cafe coft him feventy-two pounds a year, which is twelve pounds more than he thinks he can afford. He will, therefore, content himfelf with a worfe houfe, or a houfe of fifty pounds rent, which, with the additional ten pounds that he muft pay for the tax, will make up the fum of fixty pounds a year, the expenfe which he judges he can afford; and in order to pay the tax he will give up a part of the additional conveniency which he might have had from a houfe of ten pounds a year more rent. He will give up, I fay, a part of this additional conveniency; for he will feldom be obliged to give up the whole, but will, in confequence of the tax, get a better houfe for fifty pounds a year, than he could have got if there had been

no tax. For as a tax of this kind, by taking away this particular competitor, muſt diminiſh the competition for houſes of ſixty pounds rent, ſo it muſt likewiſe diminiſh it for thoſe of fifty pounds rent, and in the ſame manner for thoſe of all other rents, except the loweſt rent, for which it would for ſome time increaſe the competition. But the rents of every claſs of houſes for which the competition was diminiſhed, would neceſſarily be more or leſs reduced. As no part of this reduction, however, could, for any conſiderable time at leaſt, affect the building rent; the whole of it muſt in the long-run neceſſarily fall upon the ground-rent. The final payment of this tax, therefore, would fall, partly upon the inhabitant of the houſe, who, in order to pay his ſhare, would be obliged to give up a part of his conveniency; and partly upon the owner of the ground, who, in order to pay his ſhare, would be obliged to give up a part of his revenue. In what proportion this final payment would be divided between them, it is not perhaps very eaſy to aſcertain. The diviſion would probably be very different in different circumſtances, and a tax of this kind might, according to thoſe different circumſtances affect very unequally both the inhabitant of the houſe and the owner of the ground.

The inequality with which a tax of this kind might fall upon the owners of different ground-rents, would ariſe altogether from the accidental inequality of this diviſion. But the inequality with which it might fall upon the inhabitants of different houſes would ariſe, not only from this,

but

but from another cauſe. The proportion of the expenſe of houſe-rent to the whole expenſe of living, is different in the different degrees of fortune. It is perhaps higheſt in the higheſt degree, and it diminiſhes gradually through the inferior degrees, ſo as in general to be loweſt in the loweſt degree. The neceſſaries of life occaſion the great expenſe of the poor. They find it difficult to get food, and the greater part of their little revenue is ſpent in getting it. The luxuries and vanities of life occaſion the principal expenſe of the rich; and a magnificent houſe embelliſhes and ſets off to the beſt advantage all the other luxuries and vanities which they poſſeſs. A tax upon houſe-rents, therefore, would in general fall heavieſt upon the rich; and in this ſort of inequality there would not, perhaps, be any thing very unreaſonable. It is not very unreaſonable that the rich ſhould contribute to the public expenſe, not only in proportion to their revenue, but ſomething more than in that proportion.

The rent of houſes, though it in ſome reſpects reſembles the rent of land, is in one reſpect eſſentially different from it. The rent of land is paid for the uſe of a productive ſubject. The land which pays it produces it. The rent of houſes is paid for the uſe of an unproductive ſubject. Neither the houſe nor the ground which it ſtands upon produce any thing. The perſon who pays the rent, therefore, muſt draw it from ſome other ſource of revenue, diſtinct from and independent of this ſubject. A tax upon the rent

of houſes, ſo far as it falls upon the inhabitants, muſt be drawn from the ſame ſource as the rent itſelf, and muſt be paid from their revenue, whether derived from the wages of labor, the profits of ſtock, or the rent of land. So far as it falls upon the inhabitants, it is one of thoſe taxes which fall, not upon one only, but indifferently upon all the three different ſources of revenue; and is in every reſpect of the ſame nature as a tax upon any other ſort of conſumable commodities. In general there is not, perhaps, any one article of expenſe or conſumption by which the liberality or narrowneſs of a man's whole expenſe can be better judged of, than by his houſe rent. A proportional tax upon this particular article of expenſe might, perhaps, produce a more conſiderable revenue than any which has hitherto been drawn from it in any part of Europe. If the tax indeed was very high, the greater part of people would endeavour to evade it, as much as they could, by contenting themſelves with ſmaller houſes, and by turning the greater part of their expenſe into ſome other channel.

The rent of houſes might eaſily be aſcertained with ſufficient accuracy, by a policy of the ſame kind with that which would be neceſſary for aſcertaining the ordinary rent of land. Houſes not inhabited ought to pay no tax. A tax upon them would fall altogether upon the proprietor, who would thus be taxed for a ſubject which afforded him neither conveniency nor revenue. Houſes inhabited by the proprietor ought to be

rated, not according to the expenſe which they might have coſt in building, but according to the rent which an equitable arbitration might judge them likely to bring, if leaſed to a tenant. If rated according to the expenſe which they may have coſt in building, a tax of three or four ſhillings in the pound, joined with other taxes, would ruin almoſt all the rich and great families of this, and, I believe, of every other civilized country. Whoever will examine, with attention, the different town and country houſes of ſome of the richeſt and greateſt families in this country, will find that, at the rate of only ſix and a half, or ſeven per cent. upon the original expenſe of building, their houſe-rent is nearly equal to the whole neat rent of their eſtates. It is the accumulated expenſe of ſeveral ſucceſſive generations, laid out upon objects of great beauty and magnificence, indeed, but in proportion to what they coſt, of very ſmall exchangeable value *.

Ground-rents are a ſtill more proper ſubject of taxation than the rent of houſes. A tax upon ground-rents would not raiſe the rent of houſes. It would fall altogether upon the owner of the ground-rent, who acts always as a monopoliſt, and exacts the greateſt rent that can be got for the uſe of his ground. More or leſs can be got for it according as the competitors happen to be richer or poorer, or can afford to gratify their fancy for

* Since the firſt publication of this book, a tax nearly upon the above-mentioned principles has been impoſed.

a particular ſpot of ground at a greater or ſmaller expenſe. In every country the greateſt number of rich competitors is in the capital, and it is there accordingly that the higheſt ground-rents are always to be found. As the wealth of thoſe competitors would in no reſpect be increaſed by a tax upon ground-rents, they would not probably be diſpoſed to pay more for the uſe of the ground. Whether the tax was to be advanced by the inhabitant, or by the owner of the ground, would be of little importance. The more the inhabitant was obliged to pay for the tax, the leſs he would incline to pay for the ground; ſo that the final payment of the tax would fall altogether upon the owner of the ground-rent. The ground-rents of uninhabited houſes ought to pay no tax.

Both ground-rents and the ordinary rent of land are a ſpecies of revenue which the owner, in many caſes, enjoys without any care or attention of his own. Though a part of this revenue ſhould be taken from him in order to defray the expenſes of the ſtate, no diſcouragement will thereby be given to any ſort of induſtry. The annual produce of the land and labor of the ſociety, the real wealth and revenue of the great body of the people, might be the ſame after ſuch a tax as before. Ground-rents, and the ordinary rent of land, are, therefore, perhaps, the ſpecies of revenue which can beſt bear to have a peculiar tax impoſed upon them.

Ground-rents ſeem, in this reſpect, a more proper ſubject of peculiar taxation than even the

ordinary rent of land. The ordinary rent of land is, in many cafes, owing partly at leaft to the attention and good management of the landlord. A very heavy tax might difcourage too much this attention and good management. Ground-rents, fo far as they exceed the ordinary rent of land, are altogether owing to the good government of the fovereign, which, by protecting the induftry either of the whole people, or of the inhabitants of fome particular place, enables them to pay fo much more than its real value for the ground which they build their houfes upon; or to make to its owner fo much more than compenfation for the lofs which he might fuftain by this ufe of it. Nothing can be more reafonable than that a fund which owes its exiftence to the good government of the ftate, fhould be taxed peculiarly, or fhould contribute fomething more than the greater part of other funds, towards the fupport of that government.

Though, in many different countries of Europe, taxes have been impofed upon the rent of houfes, I do not know of any in which ground-rents have been confidered as a feparate fubject of taxation. The contrivers of taxes have, probably, found fome difficulty in afcertaining what part of the rent ought to be confidered as ground-rent, and what part ought to be confidered as building-rent. It fhould not, however, feem very difficult to diftinguifh thofe two parts of the rent from one another.

In Great Britain the rent of houfes is fuppofed

to be taxed in the ſame proportion as the rent of land, by what is called the annual land-tax. The valuation, according to which each different pariſh and diſtrict is aſſeſſed to this tax, is always the ſame. It was originally extremely unequal, and it ſtill continues to be ſo. Through the greater part of the kingdom this tax falls ſtill more lightly upon the rent of houſes than upon that of land. In ſome few diſtricts only, which were originally rated high, and in which the rents of houſes have fallen conſiderably, the land-tax of three or four ſhillings in the pound, is ſaid to amount to an equal proportion of the real rent of houſes. Untenanted houſes, though by law ſubject to the tax, are, in moſt diſtricts, exempted from it by the favor of the aſſeſſors; and this exemption ſometimes occaſions ſome little variation in the rate of particular houſes, though that of the diſtrict is always the ſame. Improvements of rent, by new buildings, repairs, &c., go to the diſcharge of the diſtrict, which occaſions ſtill further variations in the rate of particular houſes.

In the province of Holland * every houſe is taxed at two and a half per cent. of its value, without any regard either to the rent which it actually pays, or to the circumſtance of its being tenanted or untenanted. There ſeems to be a hardſhip in obliging the proprietor to pay a tax for an untenanted houſe, from which he can derive no revenue; eſpecially ſo very heavy a tax. In

* Mémoires concernant les Droits, &c. p. 223.

Holland, where the market rate of intereſt does not exceed three per cent. two and a half per cent. upon the whole value of the houſe, muſt, in moſt caſes, amount to more than a third of the building-rent, perhaps of the whole rent. The valuation, indeed, according to which the houſes are rated, though very unequal, is ſaid to be always below the real value. When a houſe is rebuilt, improved, or enlarged, there is a new valuation, and the tax is rated accordingly.

The contrivers of the ſeveral taxes which in England have, at different times, been impoſed upon houſes, ſeem to have imagined that there was ſome great difficulty in aſcertaining, with tolerable exactneſs, what was the real rent of every houſe. They have regulated their taxes, therefore, according to ſome more obvious circumſtance, ſuch as they had probably imagined would, in moſt caſes, bear ſome proportion to the rent.

The firſt tax of this kind was hearth-money; or a tax of two ſhillings upon every hearth. In order to aſcertain how many hearths were in the houſe, it was neceſſary that the tax-gatherer ſhould enter every room in it. This odious viſit rendered the tax odious. Soon after the revolution, therefore, it was aboliſhed as a badge of ſlavery.

The next tax of this kind was, a tax of two ſhillings upon every dwelling houſe inhabited. A houſe with ten windows to pay four ſhillings more. A houſe with twenty windows and upwards to pay eight ſhillings. This tax was

afterwards ſo far altered, that houſes with twenty windows, and with leſs than thirty, were ordered to pay ten ſhillings, and thoſe with thirty windows and upwards to pay twenty ſhillings. The number of windows can, in moſt caſes, be counted from the outſide, and, in all caſes, without entering every room in the houſe. The viſit of the tax-gatherer, therefore, was leſs offenſive in this tax than in the hearth-money.

This tax was afterwards repealed, and in the room of it was eſtabliſhed the window-tax, which has undergone too ſeveral alterations and augmentations. The window-tax, as it ſtands at preſent (January, 1775), over and above the duty of three ſhillings upon every houſe in England, and of one ſhilling upon every houſe in Scotland, lays a duty upon every window, which, in England, augments gradually from two-pence, the loweſt rate, upon houſes with not more than ſeven windows; to two ſhillings, the higheſt rate, upon houſes with twenty-five windows and upwards.

The principal objection to all ſuch taxes is their inequality, an inequality of the worſt kind, as they muſt frequently fall much heavier upon the poor than upon the rich. A houſe of ten pounds rent in a country town may ſometimes have more windows than a houſe of five hundred pounds rent in London; and though the inhabitant of the former is likely to be a much poorer man than that of the latter, yet ſo far as his contribution is regulated by the window-tax, he muſt contribute more to the ſupport

of the ſtate. Such taxes are, therefore, directly contrary to the firſt of the four maxims above mentioned. They do not ſeem to offend much againſt any of the other three.

The natural tendency of the window-tax, and of all other taxes upon houſes, is to lower rents. The more a man pays for the tax, the leſs, it is evident, he can afford to pay for the rent. Since the impoſition of the window-tax, however, the rents of houſes have upon the whole riſen, more or leſs, in almoſt every town and village of Great Britain, with which I am acquainted. Such has been almoſt every where the increaſe of the demand for houſes, that it has raiſed the rents more than the window-tax could ſink them; one of the many proofs of the great proſperity of the country, and of the increaſing revenue of its inhabitants. Had it not been for the tax, rents would probably have riſen ſtill higher.

ARTICLE II.

Taxes upon Profit, or upon the Revenue ariſing from Stock.

THE revenue or profit ariſing from ſtock naturally divides itſelf into two parts; that which pays the intereſt, and which belongs to the owner of the ſtock; and that ſurplus part which is over and above what is neceſſary for paying the intereſt.

This latter part of profit is evidently a ſubject not taxable directly. It is the compenſation,

and in moſt caſes it is no more than a very moderate compenſation, for the riſk and trouble of employing the ſtock. The employer muſt have this compenſation, otherwiſe he cannot, conſiſtently with his own intereſt, continue the employment. If he was taxed directly, therefore, in proportion to the whole profit, he would be obliged either to raiſe the rate of his profit, or to charge the tax upon the intereſt of money; that is, to pay leſs intereſt. If he raiſed the rate of his profit in proportion to the tax, the whole tax, though it might be advanced by him, would be finally paid by one or other of two different ſets of people, according to the different ways in which he might employ the ſtock of which he had the management. If he employed it as a farming ſtock in the cultivation of land, he could raiſe the rate of his profit only by retaining a greater portion, or, what comes to the ſame thing, the price of a greater portion of the produce of the land; and as this could be done only by a reduction of rent, the final payment of the tax would fall upon the landlord. If he employed it as a mercantile or manufacturing ſtock, he could raiſe the rate of his profit only by raiſing the price of his goods; in which caſe the final payment of the tax would fall altogether upon the conſumers of thoſe goods. If he did not raiſe the rate of his profit, he would be obliged to charge the whole tax upon that part of it which was allotted for the intereſt of money. He could afford leſs intereſt for whatever ſtock he borrowed, and the whole weight

of the tax would in this caſe fall ultimately upon the intereſt of money. So far as he could not relieve himſelf from the tax in the one way, he would be obliged to relieve himſelf in the other.

The intereſt of money ſeems at firſt ſight a ſubject equally capable of being taxed directly as the rent of land. Like the rent of land, it is a neat produce which remains after compleatly compenſating the whole riſk and trouble of employing the ſtock. As a tax upon the rent of land cannot raiſe rents; becauſe the neat produce which remains after replacing the ſtock of the farmer, together with his reaſonable profit, cannot be greater after the tax than before it: ſo, for the ſame reaſon, a tax upon the intereſt of money could not raiſe the rate of intereſt; the quantity of ſtock or money in the country, like the quantity of land, being ſuppoſed to remain the ſame after the tax as before it. The ordinary rate of profit, it has been ſhown in the firſt book, is every where regulated by the quantity of ſtock to be employed in proportion to the quantity of the employment, or of the buſineſs which muſt be done by it. But the quantity of the employment, or of the buſineſs to be done by ſtock, could neither be increaſed nor diminiſhed by any tax upon the intereſt of money. If the quantity of the ſtock to be employed therefore, was neither increaſed nor diminiſhed by it, the ordinary rate of profit would neceſſarily remain the ſame. But the portion of this profit neceſſary for compenſating the riſk and trouble of the

employer, would likewife remain the fame; that rifk and trouble being in no refpect altered. The refidue, therefore, that portion which belongs to the owner of the ftock, and which pays the intereft of money, would neceffarily remain the fame too. At firft fight, therefore, the intereft of money feems to be a fubject as fit to be taxed directly as the rent of land.

There are, however, two different circumftances which render the intereft of money a much lefs proper fubject of direct taxation than the rent of land.

Firft, the quantity and value of the land which any man poffeffes can never be a fecret, and can always be afcertained with great exactnefs. But the whole amount of the capital ftock which he poffeffes is almoft always a fecret, and can fcarce ever be afcertained with tolerable exactnefs. It is liable, befides, to almoft continual variations. A year feldom paffes away, frequently not a month, fometimes fcarce a fingle day, in which it does not rife or fall more or lefs. An inquifition into every man's private circumftances, and an inquifition which, in order to accommodate the tax to them, watched over all the fluctuations of his fortune, would be a fource of fuch continual and endlefs vexation as no people could fupport.

Secondly, land is a fubject which cannot be removed; whereas ftock eafily may. The proprietor of land is neceffarily a citizen of the particular country in which his eftate lies. The

proprietor of ſtock is properly a citizen of the world, and is not neceſſarily attached to any particular country. He would be apt to abandon the country in which he was expoſed to a vexatious inquiſition, in order to be aſſeſſed to a burdenſome tax, and would remove his ſtock to ſome other country where he could either carry on his buſineſs, or enjoy his fortune more at his eaſe. By removing his ſtock he would put an end to all the induſtry which it had maintained in the country which he left. Stock cultivates land; ſtock employs labor. A tax which tended to drive away ſtock from any particular country, would ſo far tend to dry up every ſource of revenue, both to the ſovereign and to the ſociety. Not only the profits of ſtock, but the rent of land and the wages of labor, would neceſſarily be more or leſs diminiſhed by its removal.

The nations, accordingly, who have attempted to tax the revenue ariſing from ſtock, inſtead of any ſevere inquiſition of this kind, have been obliged to content themſelves with ſome very looſe, and, therefore, more or leſs arbitrary eſtimation. The extreme inequality and uncertainty of a tax aſſeſſed in this manner, can be compenſated only by its extreme moderation, in conſequence of which every man finds himſelf rated ſo very much below his real revenue, that he gives himſelf little diſturbance though his neighbour ſhould be rated ſomewhat lower.

By what is called the land-tax in England, it was intended that ſtock ſhould be taxed in the ſame proportion as land. When the tax upon

land was at four ſhillings in the pound, or at one fifth of the ſuppoſed rent, it was intended that ſtock ſhould be taxed at one-fifth of the ſuppoſed intereſt. When the preſent annual land-tax was firſt impoſed, the legal rate of intereſt was ſix per cent. Every hundred pounds ſtock, accordingly, was ſuppoſed to be taxed at twenty-four ſhillings, the fifth part of ſix pounds. Since the legal rate of intereſt has been reduced to five per cent. every hundred pounds ſtock is ſuppoſed to be taxed at twenty ſhillings only. The ſum to be raiſed, by what is called the land-tax, was divided between the country and the principal towns. The greater part of it was laid upon the country; and of what was laid upon the towns, the greater part was aſſeſſed upon the houſes. What remained to be aſſeſſed upon the ſtock or trade of the towns (for the ſtock upon the land was not meant to be taxed) was very much below the real value of that ſtock or trade. Whatever inequalities, therefore, there might be in the original aſſeſſment, gave little diſturbance. Every pariſh and diſtrict ſtill continues to be rated for its land, its houſes, and its ſtock, according to the original aſſeſſment; and the almoſt univerſal proſperity of the country, which in moſt places has raiſed very much the value of all theſe, has rendered thoſe inequalities of ſtill leſs importance now. The rate too upon each diſtrict continuing always the ſame, the uncertainty of this tax, ſo far as it might be aſſeſſed upon the ſtock of any individual, has been very much diminiſhed, as well

as rendered of much lefs confequence. If the greater part of the lands of England are not rated to the land-tax at half their actual value, the greater part of the ftock of England is, perhaps, fcarce rated at the fiftieth part of its actual value. In fome towns the whole land-tax is affeffed upon houfes; as in Weftminfter, where ftock and trade are free. It is otherwife in London.

In all countries a fevere inquifition into the circumftances of private perfons has been carefully avoided.

At Hamburgh * every inhabitant is obliged to pay to the ftate, one-fourth per cent. of all that he poffeffes; and as the wealth of the people of Hamburgh confifts principally in ftock, this tax may be confidered as a tax upon ftock. Every man affeffes himfelf, and, in the prefence of the magiftrate, puts annually into the public coffer a certain fum of money, which he declares upon oath to be one fourth per cent. of all that he poffeffes, but without declaring what it amounts to, or being liable to any examination upon that fubject. This tax is generally fuppofed to be paid with great fidelity. In a fmall republic, where the people have entire confidence in their magiftrates, are convinced of the neceffity of the tax for the fupport of the ftate, and believe that it will be faithfully applied to that purpofe, fuch confcientious and

* Mémoires concernant les Droits, tome i. p. 74.

voluntary payment may ſometimes be expected. It is not peculiar to the people of Hamburgh.

The canton of Underwald in Switzerland is frequently ravaged by ſtorms and inundations, and is thereby expoſed to extraordinary expenſes. Upon ſuch occaſions the people aſſemble, and every one is ſaid to declare with the greateſt frankneſs what he is worth, in order to be taxed accordingly. At Zurich the law orders, that, in caſes of neceſſity, every one ſhould be taxed in proportion to his revenue; the amount of which he is obliged to declare upon oath. They have no ſuſpicion, it is ſaid, that any of their fellow-citizens will deceive them. At Baſil the principal revenue of the ſtate ariſes from a ſmall cuſtom upon goods exported. All the citizens make oath that they will pay every three months all the taxes impoſed by the law. All merchants and even all inn-keepers are truſted with keeping themſelves the account of the goods which they ſell either within or without the territory. At the end of every three months they ſend this account to the treaſurer, with the amount of the tax computed at the bottom of it. It is not ſuſpected that the revenue ſuffers by this confidence*.

To oblige every citizen to declare publicly upon oath the amount of his fortune, muſt not, it ſeems, in thoſe Swiſs cantons, be reckoned a hardſhip. At Hamburgh it would be reckoned the greateſt. Merchants engaged in the hazardous

*Mémoires concernant les Droits, tome i. p. 163. 166. 171.

projects

projects of trade, all tremble at the thoughts of being obliged at all times to expose the real state of their circumstances. The ruin of their credit and the miscarriage of their projects, they foresee, would too often be the consequence. A sober and parsimonious people, who are strangers to all such projects, do not feel that they have occasion for any such concealment.

In Holland, soon after the exaltation of the late prince of Orange to the stadtholdership, a tax of two per cent. or the fiftieth penny, as it was called, was imposed upon the whole substance of every citizen. Every citizen assessed himself and paid his tax in the same manner as at Hamburgh; and it was in general supposed to have been paid with great fidelity. The people had at that time the greatest affection for their new government, which they had just established by a general insurrection. The tax was to be paid but once; in order to relieve the state in a particular exigency. It was, indeed, too heavy to be permanent. In a country where the market rate of interest seldom exceeds three per cent., a tax of two per cent. amounts to thirteen shillings and four-pence in the pound upon the highest neat revenue which is commonly drawn from stock. It is a tax which very few people could pay without encroaching more or less upon their capitals. In a particular exigency the people may, from great public zeal, make a great effort, and give up even a part of their capital, in order to relieve the state. But it is impossible

that they ſhould continue to do ſo for any conſiderable time; and if they did, the tax would ſoon ruin them ſo compleatly as to render them altogether incapable of ſupporting the ſtate.

The tax upon ſtock impoſed by the land-tax bill in England, though it is proportioned to the capital, is not intended to diminiſh or take away any part of that capital. It is meant only to be a tax upon the intereſt of money proportioned to that upon the rent of land; ſo that when the latter is at four ſhillings in the pound, the former may be at four ſhillings in the pound too. The tax at Hamburgh, and the ſtill more moderate taxes of Underwald and Zurich, are meant, in the ſame manner, to be taxes, not upon the capital, but upon the intereſt or neat revenue of ſtock. That of Holland was meant to be a tax upon the capital.

Taxes upon the Profit of particular Employments.

In ſome countries extraordinary taxes are impoſed upon the profits of ſtock; ſometimes when employed in particular branches of trade, and ſometimes when employed in agriculture.

Of the former kind are in England the tax upon hawkers and pedlars, that upon hackney coaches and chairs, and that which the keepers of ale-houſes pay for a licence to retail ale and ſpirituous liquors. During the late war, another tax of the ſame kind was propoſed upon ſhops. The war having been undertaken, it was ſaid, in defence of the trade of the country, the merchants, who were to profit by it, ought to contribute towards the ſupport of it.

A tax, however, upon the profits of ſtock employed in any particular branch of trade, can never fall finally upon the dealers (who muſt in all ordinary caſes have their reaſonable profit, and, where the competition is free, can ſeldom have more than that profit), but always upon the conſumers, who muſt be obliged to pay in the price of the goods the tax which the dealer advances; and generally with ſome overcharges.

A tax of this kind when it is proportioned to the trade of the dealer, is finally paid by the conſumer, and occaſions no oppreſſion to the dealer. When it is not ſo proportioned, but is the ſame upon all dealers, though in this caſe too it is finally paid by the conſumer, yet it favors the great, and occaſions ſome oppreſſion to the ſmall dealer. The tax of five ſhillings a week upon every hackney coach, and that of ten ſhillings a year upon every hackney chair, ſo far as it is advanced by the different keepers of ſuch coaches and chairs, is exactly enough proportioned to the extent of their reſpective dealings. It neither favors the great, nor oppreſſes the ſmaller dealer. The tax of twenty ſhillings a year for a licence to ſell ale; of forty ſhillings for a licence to ſell ſpirituous liquors; and of forty ſhillings more for a licence to ſell wine, being the ſame upon all retailers, muſt neceſſarily give ſome advantage to the great, and occaſion ſome oppreſſion to the ſmall dealers. The former muſt find it more eaſy to get back the tax in the price of their goods than the latter. The moderation of the tax, however, renders this inequality of leſs importance, and it may to many

people appear not improper to give ſome diſcouragement to the multiplication of little alehouſes. The tax upon ſhops, it was intended, ſhould be the ſame upon all ſhops. It could not well have been otherwiſe. It would have been impoſſible to proportion with tolerable exactneſs the tax upon a ſhop to the extent of the trade carried on in it, without ſuch an inquiſition as would have been altogether inſupportable in a free country. If the tax had been conſiderable, it would have oppreſſed the ſmall, and forced almoſt the whole retail trade into the hands of the great dealers. The competition of the former being taken away, the latter would have enjoyed a monopoly of the trade; and like all other monopoliſts would ſoon have combined to raiſe their profits much beyond what was neceſſary for the payment of the tax. The final payment, inſtead of falling upon the ſhopkeeper, would have fallen upon the conſumer, with a conſiderable overcharge to the profit of the ſhopkeeper. For theſe reaſons, the project of a tax upon ſhops was laid aſide, and in the room of it was ſubſtituted the ſubſidy 1759.

What in France is called the perſonal taille is, perhaps, the moſt important tax upon the profits of ſtock employed in agriculture that is levied in any part of Europe.

In the diſorderly ſtate of Europe during the prevalence of the feudal government, the ſovereign was obliged to content himſelf with taxing thoſe who were too weak to refuſe to pay

taxes. The great lords, though willing to aſſiſt him upon particular emergencies, refuſed to ſubject themſelves to any conſtant tax, and he was not ſtrong enough to force them. The occupiers of land all over Europe were, the greater part of them, originally bondmen. Through the greater part of Europe they were gradually emancipated. Some of them acquired the property of landed eſtates which they held by ſome baſe or ignoble tenure, ſometimes under the king, and ſometimes under ſome other great lord, like the ancient copy-holders of England. Others, without acquiring the property, obtained leaſes for terms of years, of the lands which they occupied under their lord, and thus became leſs dependent upon him. The great lords ſeem to have beheld the degree of proſperity and independency which this inferior order of men had thus come to enjoy, with a malignant and contemptuous indignation, and willingly conſented that the ſovereign ſhould tax them. In ſome countries this tax was confined to the lands which were held in property by an ignoble tenure; and, in this caſe, the taille was ſaid to be real. The land-tax eſtabliſhed by the late king of Sardinia, and the taille in the provinces of Languedoc, Provence, Dauphiné, and Brittany; in the generality of Montauban, and in the elections of Agen and Condom, as well as in ſome other diſtricts of France, are taxes upon lands held in property by an ignoble tenure. In other countries the tax was laid upon the ſuppoſed profits of all thoſe who held in farm or leaſe lands belonging to other people, whatever might be the tenure

by which the proprietor held them; and in this cafe the taille was faid to be perfonal. In the greater part of thofe provinces of France, which are called the Countries of Elections, the taille is of this kind. The real taille, as it is impofed only upon a part of the lands of the country, is neceffarily an unequal, but it is not always an arbitrary tax, though it is fo upon fome occafions. The perfonal taille, as it is intended to be proportioned to the profits of a certain clafs of people, which can only be gueffed at, is neceffarily both arbitrary and unequal.

In France the perfonal taille at prefent (1775) annually impofed upon the twenty generalities, called the Countries of Elections, amounts to 40,107,239 livres, 16 fous *. The proportion in which this fum is affeffed upon thofe different provinces, varies from year to year, according to the reports which are made to the king's council concerning the goodnefs or badnefs of the crops, as well as other circumftances, which may either increafe or diminifh their refpective abilities to pay. Each generality is divided into a certain number of elections, and the proportion in which the fum impofed upon the whole generality is divided among thofe different elections, varies likewife from year to year, according to the reports made to the council concerning their refpective abilities. It feems impoffible that the council, with the beft intentions, can ever proportion with tolerable exactnefs, either of thofe two

* Mémoires concernant les Droits, &c. tome ii. p. 17.

aſſeſſments to the real abilities of the province or diſtrict upon which they are reſpectively laid. Ignorance and miſinformation muſt always, more or leſs, miſlead the moſt upright council. The proportion which each pariſh ought to ſupport of what is aſſeſſed upon the whole election, and that which each individual ought to ſupport of what is aſſeſſed upon his particular pariſh, are both in the ſame manner varied, from year to year, according as circumſtances are ſuppoſed to require. Theſe circumſtances are judged of, in the one caſe, by the officers of the election; in the other by thoſe of the pariſh; and both the one and the other are, more or leſs, under the direction and influence of the intendant. Not only ignorance and miſinformation, but friendſhip, party animoſity, and private reſentment, are ſaid frequently to miſlead ſuch aſſeſſors. No man ſubject to ſuch a tax, it is evident, can ever be certain, before he is aſſeſſed, of what he is to pay. He cannot even be certain after he is aſſeſſed. If any perſon has been taxed who ought to have been exempted; or if any perſon has been taxed beyond his proportion, though both muſt pay in the mean time, yet if they complain, and make good their complaints, the whole pariſh is reimpoſed next year in order to reimburſe them. If any of the contributors become bankrupt or inſolvent, the collector is obliged to advance his tax, and the whole pariſh is reimpoſed next year in order to reimburſe the collector. If the collector himſelf ſhould become bankrupt, the pariſh which elects

him muſt anſwer for his conduct to the receiver-general of the election. But, as it might be troubleſome for the receiver to proſecute the whole pariſh, he takes at his choice five or ſix of the richeſt contributors, and obliges them to make good what had been loſt by the inſolvency of the collector. The pariſh is afterwards re-impoſed in order to reimburſe thoſe five or ſix. Such reimpoſitions are always over and above the taille of the particular year in which they are laid on.

When a tax is impoſed upon the profits of ſtock in a particular branch of trade, the traders are all careful to bring no more goods to market than what they can ſell at a price ſufficient to reimburſe them for advancing the tax. Some of them withdraw a part of their ſtocks from the trade, and the market is more ſparingly ſupplied than before. The price of the goods riſes, and the final payment of the tax falls upon the conſumer. But when a tax is impoſed upon the profits of ſtock employed in agriculture, it is not the intereſt of the farmers to withdraw any part of their ſtock from that employment. Each farmer occupies a certain quantity of land, for which he pays rent. For the proper cultivation of this land a certain quantity of ſtock is neceſſary; and by withdrawing any part of this neceſſary quantity, the farmer is not likely to be more able to pay either the rent or the tax. In order to pay the tax, it can never be his intereſt to diminiſh the quantity of his produce, nor con-

ſequently to ſupply the market more ſparingly than before. The tax, therefore, will never enable him to raiſe the price of his produce, ſo as to reimburſe himſelf by throwing the final payment upon the conſumer. The farmer, however, muſt have his reaſonable profit as well as every other dealer, otherwiſe he muſt give up the trade. After the impoſition of a tax of this kind, he can get this reaſonable profit only by paying leſs rent to the landlord. The more he is obliged to pay in the way of tax, the leſs he can afford to pay in the way of rent. A tax of this kind impoſed during the currency of a leaſe may, no doubt, diſtreſs or ruin the farmer. Upon the renewal of the leaſe it muſt always fall upon the landlord.

In the countries where the perſonal taille takes place, the farmer is commonly aſſeſſed in proportion to the ſtock which he appears to employ in cultivation. He is, upon this account, frequently afraid to have a good team of horſes or oxen, but endeavours to cultivate with the meaneſt and moſt wretched inſtruments of huſbandry that he can. Such is his diſtruſt in the juſtice of his aſſeſſors, that he counterfeits poverty, and wiſhes to appear ſcarce able to pay any thing for fear of being obliged to pay too much. By this miſerable policy he does not, perhaps, always conſult his own intereſt in the moſt effectual manner; and he probably loſes more by the diminution of his produce than he ſaves by that of his tax. Though, in conſequence of this wretched cultivation the market

is, no doubt, ſomewhat worſe ſupplied; yet the ſmall riſe of price which this may occaſion, as it is not likely even to indemnify the farmer for the diminution of his produce, it is ſtill leſs likely to enable him to pay more rent to the landlord. The public, the farmer, the landlord, all ſuffer more or leſs by this degraded cultivation. That the perſonal taille tends, in many different ways, to diſcourage cultivation, and conſequently to dry up the principal ſource of the wealth of every great country, I have already had occaſion to obſerve in the third book of this Inquiry.

What are called poll-taxes in the ſouthern provinces of North America, and in the Weſt Indian iſlands, annual taxes of ſo much a head upon every negro, are properly taxes upon the profits of a certain ſpecies of ſtock employed in agriculture. As the planters are, the greater part of them, both farmers and landlords, the final payment of the tax falls upon them in their quality of landlords without any retribution.

Taxes of ſo much a head upon the bondmen employed in cultivation, ſeem anciently to have been common all over Europe. There ſubſiſts at preſent a tax of this kind in the empire of Ruſſia. It is probably upon this account that poll-taxes of all kinds have often been repreſented as badges of ſlavery. Every tax, however, is to the perſon who pays it a badge, not of ſlavery, but of liberty. It denotes that he is ſubject to government, indeed, but that, as he has ſome property, he cannot himſelf be the property of a maſter. A poll-tax

upon ſlaves is altogether different from a poll-tax upon freemen. The latter is paid by the perſons upon whom it is impoſed; the former by a different ſet of perſons. The latter is either altogether arbitrary or altogether unequal, and in moſt caſes is both the one and the other; the former, though in ſome reſpects unequal, different ſlaves being of different values, is in no reſpect arbitrary. Every maſter who knows the number of his own ſlaves, knows exactly what he has to pay. Thoſe different taxes, however, being called by the ſame name, have been conſidered as of the ſame nature.

The taxes which in Holland are impoſed upon men and maid ſervants, are taxes, not upon ſtock, but upon expenſe; and ſo far reſemble the taxes upon conſumable commodities. The tax of a guinea a head for every man ſervant, which has lately been impoſed in Great Britain, is of the ſame kind. It falls heavieſt upon the middling rank. A man of two hundred a year may keep a ſingle man ſervant. A man of ten thouſand a year will not keep fifty. It does not affect the poor.

Taxes upon the profits of ſtock in particular employments can never affect the intereſt of money. Nobody will lend his money for leſs intereſt to thoſe who exerciſe the taxed, than to thoſe who exerciſe the untaxed employments. Taxes upon the revenue ariſing from ſtock in all employments, where the government attempts to levy them with any degree of exactneſs, will, in many caſes, fall upon the intereſt of money. The Vingtieme, or twentieth penny, in France, is a tax of the

ſame kind with what is called the land-tax in England, and is aſſeſſed, in the ſame manner, upon the revenue ariſing from land, houſes, and ſtock. So far as it affects ſtock it is aſſeſſed, though not with great rigor, yet with much more exactneſs than that part of the land-tax of England which is impoſed upon the ſame fund. It, in many caſes, falls altogether upon the intereſt of money. Money is frequently ſunk in France upon what are called Contracts for the conſtitution of a rent; that is, perpetual annuities redeemable at any time by the debtor upon repayment of the ſum originally advanced, but of which this redemption is not exigible by the creditor except in particular caſes. The Vingtieme ſeems not to have raiſed the rate of thoſe annuities, though it is exactly levied upon them all.

APPENDIX to ARTICLES I. and II.

Taxes upon the capital Value of Land, Houſes, and Stock.

WHILE property remains in the poſſeſſion of the ſame perſon, whatever permanent taxes may have been impoſed upon it, they have never been intended to diminiſh or take away any part of its capital value, but only ſome part of the revenue ariſing from it. But when property changes hands, when it is tranſmitted either from the dead to the living, or from the living to the living, ſuch taxes have frequently been impoſed

upon it as neceſſarily take away ſome part of its capital value.

The transference of all ſorts of property from the dead to the living, and that of immoveable property, of lands and houſes, from the living to the living, are tranſactions which are in their nature either public and notorious, or ſuch as cannot be long concealed. Such tranſactions, therefore, may be taxed directly. The tranſference of ſtock, or moveable property, from the living to the living, by the lending of money, is frequently a ſecret tranſaction, and may always be made ſo. It cannot eaſily, therefore, be taxed directly. It has been taxed indirectly in two different ways; firſt, by requiring that the deed, containing the obligation to repay, ſhould be written upon paper or parchment which had paid a certain ſtamp-duty, otherwiſe not to be valid; ſecondly, by requiring, under the like penalty of invalidity, that it ſhould be recorded either in a public or ſecret regiſter, and by impoſing certain duties upon ſuch regiſtration. Stamp-duties and duties of regiſtration have frequently been impoſed likewiſe upon the deeds transferring property of all kinds from the dead to the living, and upon thoſe transferring immoveable property from the living to the living, tranſactions which might eaſily have been taxed directly.

The Viceſima Hereditatum, the twentieth penny of inheritances, impoſed by Auguſtus upon the ancient Romans, was a tax upon the transference of property from the dead to the living. Dion

Caſſius *, the author who writes concerning it the leaſt indiſtinctly, ſays, that it was impoſed upon all ſucceſſions, legacies, and donations, in caſe of death, except upon thoſe to the neareſt relations, and to the poor.

Of the ſame kind is the Dutch tax upon ſucceſſions †. Collateral ſucceſſions are taxed, according to the degree of relation, from five to thirty per cent. upon the whole value of the ſucceſſion. Teſtamentary donations, or legacies to collaterals, are ſubject to the like duties. Thoſe from huſband to wife, or from wife to huſband, to the fiftieth penny. The Luctuoſa Hereditas, the mournful ſucceſſion of aſcendents to deſcendents, to the twentieth penny only. Direct ſucceſſions, or thoſe of deſcendents to aſcendents, pay no tax. The death of a father, to ſuch of his children as live in the ſame houſe with him, is ſeldom attended with any increaſe, and frequently with a conſiderable diminution of revenue; by the loſs of his induſtry, of his office, or of ſome life-rent eſtate, of which he may have been in poſſeſſion. That tax would be cruel and oppreſſive which aggravated their loſs by taking from them any part of his ſucceſſion. It may, however, ſometimes be otherwiſe with thoſe children who, in the language of the Roman

* Lib. 55. See alſo Burrmann de Vectigalibus Pop. Rom. cap xi. and Bouchaud de l'impôt du vingtieme ſur les ſucceſſions.

† Mémoires concernant les Droits, &c. tome i. p. 225.

law, are ſaid to be emancipated; in that of the Scotch law, to be foris-familiated; that is, who have received their portion, have got families of their own, and are ſupported by funds ſeparate and independent of thoſe of their father. Whatever part of his ſucceſſion might come to ſuch children, would be a real addition to their fortune, and might therefore, perhaps, without more inconveniency than what attends all duties of this kind, be liable to ſome tax.

The caſualties of the feudal law were taxes upon the transference of land, both from the dead to the living, and from the living to the living. In the ancient times they conſtituted in every part of Europe one of the principal branches of the revenue of the crown.

The heir of every immediate vaſſal of the crown paid a certain duty generally a year's rent, upon receiving the inveſtiture of the eſtate. If the heir was a minor, the whole rents of the eſtate, during the continuance of the minority, devolved to the ſuperior without any other charge, beſides the maintenance of the minor, and the payment of the widow's dower, when there happened to be a dowager upon the land. When the minor came to be of age, another tax, called Relief, was ſtill due to the ſuperior, which generally amounted likewiſe to a year's rent. A long minority, which in the preſent times ſo frequently diſburdens a great eſtate of all its incumbrances, and reſtores the family to their ancient ſplendor, could in thoſe times have no ſuch effect. The

waſte, and not the diſincumbrance of the eſtate, was the common effect of a long minority.

By the feudal law the vaſſal could not alienate without the conſent of his ſuperior, who generally extorted a fine or compoſition for granting it. This fine, which was at firſt arbitrary, came in many countries to be regulated at a certain portion of the price of the land. In ſome countries, where the greater part of the other feudal cuſtoms have gone into diſuſe, this tax upon the alienation of land ſtill continues to make a very conſiderable branch of the revenue of the ſovereign. In the canton of Berne it is ſo high as a ſixth part of the price of all noble fiefs; and a tenth part of that of all ignoble ones *. In the canton of Lucerne the tax upon the ſale of lands is not univerſal, and takes place only in certain diſtricts. But if any perſon ſells his land, in order to remove out of the territory, he pays ten per cent. upon the whole price of the ſale †. Taxes of the ſame kind upon the ſale either of all lands or of lands held by certain tenures, take place in many other countries, and make a more or leſs conſiderable branch of the revenue of the ſovereign.

Such tranſactions may be taxed indirectly, by means either of ſtamp-duties, or of duties upon regiſtration; and thoſe duties either may or may not be proportioned to the value of the ſubject which is transferred.

* Mémoires concernant les Droits, &c. tome i. p. 154.

† Id. p. 157.

In

In Great Britain the ſtamp-duties are higher or lower, not ſo much according to the value of the property transferred (an eighteen penny or half crown ſtamp being ſufficient upon a bond for the largeſt ſum of money) as according to the nature of the deed. The higheſt do not exceed ſix pounds upon every ſheet of paper, or ſkin of parchment; and theſe high duties fall chiefly upon grants from the crown, and upon certain law proceedings, without any regard to the value of the ſubject. There are in Great Britain no duties on the regiſtration of deeds or writings, except the fees of the officers who keep the regiſter; and theſe are ſeldom more than a reaſonable recompence for their labor. The crown derives no revenue from them.

In Holland * there are both ſtamp duties and duties upon regiſtration; which in ſome caſes are, and in ſome are not proportioned to the value of the property transferred. All teſtaments muſt be written upon ſtamped paper of which the price is proportioned to the property diſpoſed of, ſo that there are ſtamps which coſt from three pence, or three ſtivers a ſheet, to three hundred florins, equal to about twenty-ſeven pounds ten ſhillings of our money. If the ſtamp is of an inferior price to what the teſtator ought to have made uſe of, his ſucceſſion is confiſcated. This is over and above all their other taxes on ſucceſſion. Except bills of exchange, and ſome other mercantile bills, all

* Mémoires concernant les Droits, &c. tome i. p. 223, 224, 225.

other deeds, bonds, and contracts, are ſubject to a ſtamp-duty. This duty, however, does not riſe in proportion to the value of the ſubject. All ſales of land and of houſes, and all mortgages upon either, muſt be regiſtered, and, upon regiſtration, pay a duty to the ſtate of two and a half per cent. upon the amount of the price or of the mortgage. This duty is extended to the ſale of all ſhips and veſſels of more than two tons burden, whether decked or undecked. Theſe, it ſeems, are conſidered as a ſort of houſes upon the water. The ſale of moveables, when it is ordered by a court of juſtice, is ſubject to the like duty of two and a half per cent.

In France there are both ſtamp-duties and duties upon regiſtration. The former are conſidered as a branch of the aides or exciſe, and in the provinces where thoſe duties take place, are levied by the exciſe officers. The latter are conſidered as a branch of the domain of the crown, and are levied by a different ſet of officers.

Thoſe modes of taxation, by ſtamp-duties and by duties upon regiſtration, are of very modern invention. In the courſe of little more than a century, however, ſtamp-duties have, in Europe, become almoſt univerſal, and duties upon regiſtration extremely common. There is no art which one government ſooner learns of another, than that of draining money from the pockets of the people.

Taxes upon the transference of property from the dead to the living, fall finally as well as

immediately upon the perſon to whom the property is transferred. Taxes upon the ſale of land fall altogether upon the ſeller. The ſeller is almoſt always under the neceſſity of ſelling, and muſt, therefore, take ſuch a price as he can get. The buyer is ſcarce ever under the neceſſity of buying, and will, therefore, only give ſuch a price as he likes. He conſiders what the land will coſt him in tax and price together. The more he is obliged to pay in the way of tax, the leſs he will be diſpoſed to give in the way of price. Such taxes, therefore, fall almoſt always upon a neceſſitous perſon, and muſt, therefore, be frequently very cruel and oppreſſive. Taxes upon the ſale of new-built houſes, where the building is ſold without the ground, fall generally upon the buyer, becauſe the builder muſt generally have his profit; otherwiſe he muſt give up the trade. If he advances the tax, therefore, the buyer muſt generally repay it to him. Taxes upon the ſale of old houſes, for the ſame reaſon as thoſe upon the ſale of land, fall generally upon the ſeller; whom in moſt caſes either conveniency or neceſſity obliges to ſell. The number of new-built houſes that are annually brought to market, is more or leſs regulated by the demand. Unleſs the demand is ſuch as to afford the builder his profit, after paying all expenſes, he will build no more houſes. The number of old houſes which happen at any time to come to market is regulated by accidents of which the greater part have no relation to the demand. Two or three great bankruptcies in a mercantile

town, will bring many houſes to ſale, which muſt be ſold for what can be got for them. Taxes upon the ſale of ground rents fall altogether upon the ſeller; for the ſame reaſon as thoſe upon the ſale of land. Stamp-duties, and duties upon the regiſtration of bonds and contracts for borrowed money, fall altogether upon the borrower, and, in fact, are always paid by him. Duties of the ſame kind upon law proceedings fall upon the ſuitors. They reduce to both the capital value of the ſubject in diſpute. The more it coſts to acquire any property, the leſs muſt be the neat value of it when acquired.

All taxes upon the transference of property of every kind, ſo far as they diminiſh the capital value of that property, tend to diminiſh the funds deſtined for the maintenance of productive labor. They are all more or leſs unthrifty taxes that increaſe the revenue of the ſovereign, which ſeldom maintains any but unproductive laborers; at the expenſe of the capital of the people, which maintains none but productive.

Such taxes, even when they are proportioned to the value of the property transferred, are ſtill unequal; the frequency of transference not being always equal in property of equal value. When they are not proportioned to this value, which is the caſe with the greater part of the ſtamp-duties, and duties of regiſtration, they are ſtill more ſo. They are in no reſpect arbitrary, but are or may be in all caſes perfectly clear and certain. Though they ſometimes fall upon the perſon who is not very able to pay; the time of

payment is in moſt caſes ſufficiently convenient for him. When the payment becomes due, he muſt in moſt caſes have the money to pay. They are levied at very little expenſe, and in general ſubject the contributors to no other inconveniency beſides always the unavoidable one of paying the tax.

In France the ſtamp-duties are not much complained of. Thoſe of regiſtration, which they call the Contrôle, are. They give occaſion, it is pretended, to much extortion in the officers of the farmers general who collect the tax, which is in a great meaſure arbitrary and uncertain. In the greater part of the libels which have been written againſt the preſent ſyſtem of finances in France, the abuſes of the Contrôle make a principal article. Uncertainty, however, does not ſeem to be neceſſarily inherent in the nature of ſuch taxes. If the popular complaints are well founded, the abuſe muſt ariſe, not ſo much from the nature of the tax, as from the want of preciſion and diſtinctneſs in the words of the edicts or laws which impoſe it.

The regiſtration of mortgages, and in general of all rights upon immoveable property, as it gives great ſecurity both to creditors and purchaſers, is extremely advantageous to the public. That of the greater part of deeds of other kinds is frequently inconvenient and even dangerous to individuals, without any advantage to the public. All regiſters which, it is acknowledged, ought to be kept ſecret, ought certainly never to exiſt. The credit of individuals ought certainly never to depend upon ſo very ſlender a ſecurity

as the probity and religion of the inferior officers of revenue. But where the fees of regiſtration have been made a ſource of revenue to the ſovereign, regiſter offices have commonly been multiplied without end, both for the deeds which ought to be regiſtered, and for thoſe which ought not. In France there are ſeveral different ſorts of ſecret regiſters. This abuſe, though not perhaps a neceſſary, it muſt be acknowledged, is a very natural effect of ſuch taxes.

Such ſtamp-duties as thoſe in England upon cards and dice, upon news-papers and periodical pamphlets, &c. are properly taxes upon conſumption; the final payment falls upon the perſons who uſe or conſume ſuch commodities. Such ſtamp-duties as thoſe upon licences to retail ale, wine, and ſpirituous liquors, though intended, perhaps, to fall upon the profits of the retailers, are likewiſe finally paid by the conſumers of thoſe liquors. Such taxes, though called by the ſame name, and levied by the ſame officers and in the ſame manner with the ſtamp-duties above mentioned upon the transference of property, are however of a quite different nature, and fall upon quite different funds.

ARTICLE III.

Taxes upon the Wages of Labor.

THE wages of the inferior claſſes of workmen, I have endeavoured to ſhow in the firſt book, are every where neceſſarily regulated by

two different circumſtances; the demand for labor, and the ordinary or average price of proviſions. The demand for labor, according as it happens to be either increaſing, ſtationary, or declining; or to require an increaſing, ſtationary, or declining population, regulates the ſubſiſtence of the laborer, and determines in what degree it ſhall be, either liberal, moderate, or ſcanty. The ordinary or average price of proviſions determines the quantity of money which muſt be paid to the workman in order to enable him, one year with another, to purchaſe this liberal, moderate, or ſcanty ſubſiſtence. While the demand for labor and the price of proviſions, therefore, remain the ſame, a direct tax upon the wages of labor can have no other effect than to raiſe them ſomewhat higher than the tax. Let us ſuppoſe, for example, that in a particular place the demand for labor and the price of proviſions were ſuch, as to render ten ſhillings a week the ordinary wages of labor; and that a tax of one-fifth, or four ſhillings in the pound, was impoſed upon wages. If the demand for labor and the price of proviſions remained the ſame, it would ſtill be neceſſary that the laborer ſhould in that place earn ſuch a ſubſiſtence as could be bought only for ten ſhillings a week, or that after paying the tax he ſhould have ten ſhillings a week free wages. But in order to leave him ſuch free wages after paying ſuch a tax, the price of labor muſt in that place ſoon riſe, not to twelve ſhillings a week only, but to twelve and ſixpence, that is, in order to enable him to

pay a tax of one-fifth, his wages muſt neceſſarily ſoon riſe, not one-fifth part only, but one-fourth. Whatever was the proportion of the tax, the wages of labor muſt in all caſes riſe, not only in that proportion, but in a higher proportion. If the tax, for example, was one-tenth, the wages of labor muſt neceſſarily ſoon riſe, not one-tenth part only, but one-eighth.

A direct tax upon the wages of labor, therefore, though the laborer might perhaps pay it out of his hand, could not properly be ſaid to be even advanced by him; at leaſt if the demand for labor and the average price of proviſions remained the ſame after the tax as before it. In all ſuch caſes, not only the tax, but ſomething more than the tax, would in reality be advanced by the perſon who immediately employed him. The final payment would in different caſes fall upon different perſons. The riſe which ſuch a tax might occaſion in the wages of manufacturing labor would be advanced by the maſter manufacturer, who would both be entitled and obliged to charge it, with a profit, upon the price of his goods. The final payment of this riſe of wages, therefore, together with the additional profit of the maſter manufacturer, would fall upon the conſumer. The riſe which ſuch a tax might occaſion in the wages of country labor would be advanced by the farmer, who, in order to maintain the ſame number of laborers as before, would be obliged to employ a greater capital. In order to get back this greater capital, together with the ordinary profits

of ſtock, it would be neceſſary that he ſhould retain a larger portion, or what comes to the ſame thing, the price of a larger portion, of the produce of the land, and conſequently that he ſhould pay leſs rent to the landlord. The final payment of this riſe of wages, therefore, would in this caſe fall upon the landlord, together with the additional profit of the farmer who had advanced it. In all caſes a direct tax upon the wages of labor muſt, in the long-run, occaſion both a greater reduction in the rent of land, and a greater riſe in the price of manufactured goods, than would have followed from the proper aſſeſſment of a ſum equal to the produce of the tax, partly upon the rent of land, and partly upon conſumable commodities.

If direct taxes upon the wages of labor have not always occaſioned a proportionable riſe in thoſe wages, it is becauſe they have generally occaſioned a conſiderable fall in the demand for labor. The declenſion of induſtry, the decreaſe of employment for the poor, the diminution of the annual produce of the land and labor of the country, have generally been the effects of ſuch taxes. In conſequence of them, however, the price of labor muſt always be higher than it otherwiſe would have been in the actual ſtate of the demand; and this enhancement of price, together with the profit of thoſe who advance it, muſt always be finally paid by the landlords and conſumers.

A tax upon the wages of country labor does not raiſe the price of the rude produce of land in proportion to the tax; for the ſame reaſon that a

tax upon the farmer's profit does not raiſe that price in that proportion.

Abſurd, and deſtructive as ſuch taxes are, however, they take place in many countries. In France that part of the taille which is charged upon the induſtry of workmen and day-laborers in country villages, is properly a tax of this kind. Their wages are computed according to the common rate of the diſtrict in which they reſide, and that they may be as little liable as poſſible to any over-charge, their yearly gains are eſtimated at no more than two hundred working days in the year *. The tax of each individual is varied from year to year according to different circumſtances, of which the collector or the commiſſary, whom the intendant appoints to aſſiſt him, are the judges. In Bohemia, in conſequence of the alteration in the ſyſtem of finances which was begun in 1748, a very heavy tax is impoſed upon the induſtry of artificers. They are divided into four claſſes. The higheſt claſs pay a hundred florins a year; which, at two-and-twenty-pence halfpenny a florin, amounts to 9*l.* 7*s.* 6*d.* The ſecond claſs are taxed at ſeventy; the third at fifty; and the fourth, comprehending artificers in villages, and the loweſt claſs of thoſe in towns, at twenty-five florins †.

The recompence of ingenious artiſts and of men of liberal profeſſions, I have endeavoured to ſhow in the firſt book, neceſſarily keeps a certain proportion to the emoluments of inferior trades. A tax

* Mémoires concernant les Droits, &c. tom. ii. p. 108.

† Id. tom. iii. p. 87.

upon this recompence, therefore, could have no other effect than to raise it somewhat higher than in proportion to the tax. If it did not rise in this manner, the ingenious arts and liberal professions, being no longer upon a level with other trades, would be so much deserted that they would soon return to that level.

The emoluments of offices are not, like those of trades and professions, regulated by the free competition of the market, and do not, therefore, always bear a just proportion to what the nature of the employment requires. They are, perhaps, in most countries, higher than it requires; the persons who have the administration of government being generally disposed to reward both themselves and their immediate dependents rather more than enough. The emoluments of offices, therefore, can in most cases very well bear to be taxed. The persons, besides, who enjoy public offices, especially the more lucrative, are in all countries the objects of general envy; and a tax upon their emoluments, even though it should be somewhat higher than upon any other sort of revenue, is always a very popular tax. In England, for example, when by the land-tax every other sort of revenue was supposed to be assessed at four shillings in the pound, it was very popular to lay a real tax of five shillings and sixpence in the pound upon the salaries of offices which exceeded a hundred pounds a year; the pensions of the younger branches of the royal family, the pay of the officers of the army and navy, and a few others

lefs obnoxious to envy excepted. There are in England no other direct taxes upon the wages of labor.

ARTICLE IV.

Taxes which, it is intended, should fall indifferently upon every different Species of Revenue.

THE taxes which, it is intended, fhould fall indifferently upon every different fpecies of revenue, are capitation taxes, and taxes upon confumable commodities. Thefe muft be paid indifferently from whatever revenue the contributors may poffefs; from the rent of their land, from the profits of their ftock, or from the wages of their labor.

Capitation Taxes.

CAPITATION taxes, if it is attempted to proportion them to the fortune or revenue of each contributor, become altogether arbitrary. The ftate of a man's fortune varies from day to day, and without an inquifition more intolerable than any tax, and renewed at leaft once every year, can only be gueffed at. His affeffment, therefore, muft in moft cafes depend upon the good or bad humor of his affeffors, and muft, therefore, be altogether arbitrary and uncertain.

Capitation taxes, if they are proportioned not to the fuppofed fortune, but to the rank of each contributor, become altogether unequal; the degrees of fortune being frequently unequal in the fame degree of rank.

Such taxes, therefore, if it is attempted to render them equal, become altogethet arbitrary and uncertain; and if it is attempted to render them certain and not arbitrary, become altogether unequal. Let the tax be light or heavy, uncertainty is always a great grievance. In a light tax a confiderable degree of inequality may be fupported; in a heavy one it is altogether intolerable.

In the different poll-taxes which took place in England during the reign of William III. the contributors were, the greater part of them, affeffed according to the degree of their rank; as dukes, marquiffes, earls, vifcounts, barons, efquires, gentlemen, the eldeft and youngeft fons of peers, &c. All fhopkeepers and tradefmen worth more than three hundred pounds, that is, the better fort of them, were fubject to the fame affeffment; how great foever might be the difference in their fortunes. Their rank was more confidered than their fortune. Several of thofe who in the firft poll-tax were rated according to their fuppofed fortune, were afterwards rated according to their rank. Serjeants, attornies, and proctors at law, who in the firft poll-tax were affeffed at three fhillings in the pound of their fuppofed income, were afterwards affeffed as gentlemen. In the affeffment of a tax which was not very heavy, a confiderable degree of inequality had been found lefs infupportable than any degree of uncertainty.

In the capitation which has been levied in France without any interruption fince the begin-

ning of the prefent century, the higheft orders of people are rated according to their rank by an invariable tariff; the lower orders of people, according to what is fuppofed to be their fortune, by an affeffment which varies from year to year. The officers of the king's court, the judges and other officers in the fuperior courts of juftice, the officers of the troops, &c. are affeffed in the firft manner. The inferior ranks of people in the provinces are affeffed in the fecond. In France the great eafily fubmit to a confiderable degree of inequality in a tax which, fo far as it affects them, is not a very heavy one; but could not brook the arbitrary affeffment of an intendant. The inferior ranks of people muft, in that country, fuffer patiently the ufage which their fuperiors think proper to give them.

In England the different poll-taxes never produced the fum which had been expected from them, or which, it was fuppofed, they might have produced, had they been exactly levied. In France the capitation always produces the fum expected from it. The mild government of England, when it affeffed the different ranks of people to the poll-tax, contented itfelf with what that affeffment happened to produce, and required no compenfation for the lofs which the ftate might fuftain either by thofe who could not pay, or by thofe who would not pay (for there were many fuch), and who, by the indulgent execution of the law, were not forced to pay.

The more ſevere government of France aſſeſſes upon each generality a certain ſum, which the intendant muſt find as he can. If any province complains of being aſſeſſed too high, it may, in the aſſeſſment of next year, obtain an abatement proportioned to the over-charge of the year before. But it muſt pay in the mean time. The intendant, in order to be ſure of finding the ſum aſſeſſed upon his generality, was impowered to aſſeſs it in a larger ſum, that the failure or inability of ſome of the contributors might be compenſated by the over-charge of the reſt; and till 1765, the fixation of this ſurplus aſſeſſment was left altogether to his diſcretion. In that year indeed the council aſſumed this power to itſelf. In the capitation of the provinces, it is obſerved by the perfectly well-informed author of the Memoirs upon the impoſitions in France, the proportion which falls upon the nobility, and upon thoſe whoſe privileges exempt them from the taille, is the leaſt conſiderable. The largeſt falls upon thoſe ſubject to the taille, who are aſſeſſed to the capitation at ſo much a pound of what they pay to that other tax.

Capitation taxes, ſo far as they are levied upon the lower ranks of people, are direct taxes upon the wages of labor, and are attended with all the inconveniencies of ſuch taxes.

Capitation taxes are levied at little expenſe; and where they are rigorouſly exacted, afford a very ſure revenue to the ſtate. It is upon this account that in countries where the eaſe, comfort, and

ſecurity, of the inferior ranks of people are little attended to, capitation taxes are very common. It is in general, however, but a ſmall part of the public revenue, which, in a great empire, has ever been drawn from ſuch taxes; and the greateſt ſum which they have ever afforded, might always have been found in ſome other way much more convenient to the people.

Taxes upon conſumable Commodities.

THE impoſſibility of taxing the people, in proportion to their revenue, by any capitation, ſeems to have given occaſion to the invention of taxes upon conſumable commodities. The ſtate not knowing how to tax, directly and proportionably, the revenue of its ſubjects, endeavours to tax it indirectly by taxing their expenſe, which, it is ſuppoſed, will in moſt caſes be nearly in proportion to their revenue. Their expenſe is taxed by taxing the conſumable commodities upon which it is laid out.

Conſumable commodities are either neceſſaries or luxuries.

By neceſſaries I underſtand, not only the commodities which are indiſpenſably neceſſary for the ſupport of life, but whatever the cuſtom of the country renders it indecent for creditable people, even of the loweſt order, to be without. A linen ſhirt, for example, is, ſtrictly ſpeaking, not a neceſſary of life. The Greeks and Romans

lived,

lived, I suppose, very comfortably, though they had no linen. But in the present times, through the greater part of Europe, a creditable day-laborer would be ashamed to appear in public without a linen shirt, the want of which would be supposed to denote that disgraceful degree of poverty, which, it is presumed, no body can well fall into without extreme bad conduct. Custom, in the same manner, has rendered leather shoes a necessary of life in England. The poorest creditable person of either sex would be ashamed to appear in public without them. In Scotland, custom has rendered them a necessary of life to the lowest order of men; but not to the same order of women, who may, without any discredit, walk about bare-footed. In France, they are necessaries neither to men nor to women; the lowest rank of both sexes appearing there publicly, without any discredit, sometimes in wooden shoes, and sometimes barefooted. Under necessaries therefore, I comprehend, not only those things which nature, but those things which the established rules of decency have rendered necessary to the lowest rank of people. All other things I call luxuries; without meaning by this appellation, to throw the smallest degree of reproach upon the temperate use of them. Beer and ale, for example, in Great Britain, and wine, even in the wine countries, I call luxuries. A man of any rank may, without any reproach, abstain totally from tasting such liquors. Nature does not render them

neceſſary for the ſupport of life; and cuſtom no where renders it indecent to live without them.

As the wages of labor are every where regulated, partly by the demand for it, and partly by the average price of the neceſſary articles of ſubſiſtence; whatever raiſes this average price muſt neceſſarily raiſe thoſe wages, ſo that the laborer may ſtill be able to purchaſe that quantity of thoſe neceſſary articles which the ſtate of the demand for labor, whether increaſing, ſtationary, or declining, requires that he ſhould have *. A tax upon thoſe articles neceſſarily raiſes their price ſomewhat higher than the amount of the tax, becauſe the dealer, who advances the tax, muſt generally get it back with a profit. Such a tax muſt, therefore, occaſion a riſe in the wages of labor proportionable to this riſe of price.

It is thus that a tax upon the neceſſaries of life, operates exactly in the ſame manner as a direct tax upon the wages of labor. The laborer, though he may pay it out of his hand, cannot, for any conſiderable time at leaſt, be properly ſaid even to advance it. It muſt always in the long-run be advanced to him by his immediate employer in the advanced rate of his wages. His employer, if he is a manufacturer, will charge upon the price of his goods this riſe of wages, together with a profit; ſo that the final payment of the tax, together with this over-charge, will fall upon the conſumer. If his employer is a

* See Book I. Chap. 8.

farmer, the final payment, together with a like over-charge, will fall upon the rent of the landlord.

It is otherwise with taxes upon what I call luxuries; even upon those of the poor. The rise in the price of the taxed commodities, will not necessarily occasion any rise in the wages of labor. A tax upon tobacco, for example, though a luxury of the poor as well as of the rich, will not raise wages. Though it is taxed in England at three times, and in France at fifteen times its original price, those high duties seem to have no effect upon the wages of labor. The same thing may be said of the taxes upon tea and sugar; which in England and Holland have become luxuries of the lowest ranks of people; and of those upon chocolate, which in Spain is said to have become so. The different taxes which in Great Britain have in the course of the present century been imposed upon spirituous liquors, are not supposed to have had any effect upon the wages of labor. The rise in the price of porter, occasioned by an additional tax of three shillings upon the barrel of strong beer, has not raised the wages of common labor in London. These were about eighteen-pence and twenty-pence a day before the tax, and they are not more now.

The high price of such commodities does not necessarily diminish the ability of the inferior ranks of people to bring up families. Upon the sober and industrious poor, taxes upon such commodities act as sumptuary laws, and dispose them

either to moderate, or to refrain altogether from the uſe of ſuperfluities which they can no longer eaſily afford. Their ability to bring up families, in conſequence of this forced frugality, inſtead of being diminiſhed, is frequently, perhaps, increaſed by the tax. It is the ſober and induſtrious poor who generally bring up the moſt numerous families, and who principally ſupply the demand for uſeful labor. All the poor indeed are not ſober and induſtrious, and the diſſolute and diſorderly might continue to indulge themſelves in the uſe of ſuch commodities after this riſe of price in the ſame manner as before; without regarding the diſtreſs which this indulgence might bring upon their families. Such diſorderly perſons, however, ſeldom rear up numerous families; their children generally periſhing from neglect, miſmanagement, and the ſcantineſs or unwholeſomeneſs of their food. If by the ſtrength of their conſtitution they ſurvive the hardſhips to which the bad conduct of their parents expoſes them; yet the example of that bad conduct commonly corrupts their morals; ſo that, inſtead of being uſeful to ſociety by their induſtry, they become public nuiſances by their vices and diſorders. Though the advanced price of the luxuries of the poor, therefore, might increaſe ſomewhat the diſtreſs of ſuch diſorderly families, and thereby diminiſh ſomewhat their ability to bring up children; it would not probably diminiſh much the uſeful population of the country.

Any riſe in the average price of neceſſaries, unleſs it is compenſated by a proportionable riſe

in the wages of labor, muſt neceſſarily diminiſh more or leſs the ability of the poor to bring up numerous families, and conſequently to ſupply the demand for uſeful labor; whatever may be the ſtate of that demand, whether increaſing, ſtationary, or declining; or ſuch as requires an increaſing, ſtationary, or declining population.

Taxes upon luxuries have no tendency to raiſe the price of any other commodities except that of the commodities taxed. Taxes upon neceſſaries, by raiſing the wages of labor, neceſſarily tend to raiſe the price of all manufactures, and conſequently to diminiſh the extent of their ſale and conſumption. Taxes upon luxuries are finally paid by the conſumers of the commodities taxed, without any retribution. They fall indifferently upon every ſpecies of revenue, the wages of labor, the profits of ſtock, and the rent of land. Taxes upon neceſſaries, ſo far as they affect the laboring poor, are finally paid, partly by landlords in the diminiſhed rent of their lands, and partly by rich conſumers, whether landlords or others, in the advanced price of manufactured goods; and always with a conſiderable over-charge. The advanced price of ſuch manufactures as are real neceſſaries of life, and are deſtined for the conſumption of the poor, of coarſe woollens, for example, muſt be compenſated to the poor by a farther advancement of their wages. The middling and ſuperior ranks of people, if they underſtood their own intereſt, ought always to oppoſe all taxes upon the neceſſaries of life, as well as all direct taxes upon the wages of labor.

The final payment of both the one and the other falls altogether upon themſelves, and always with a conſiderable over-charge. They fall heavieſt upon the landlords, who always pay in a double capacity; in that of landlords, by the reduction of their rent; and in that of rich conſumers, by the increaſe of their expenſe. The obſervation of Sir Matthew Decker, that certain taxes are, in the price of certain goods, ſometimes repeated and accumulated four or five times, is perfectly juſt with regard to taxes upon the neceſſaries of life. In the price of leather, for example, you muſt pay, not only for the tax upon the leather of your own ſhoes, but for a part of that upon thoſe of the ſhoe-maker and the tanner. You muſt pay too for the tax upon the ſalt, upon the ſoap, and upon the candles which thoſe workmen conſume while employed in your ſervice, and for the tax upon the leather, which the ſalt-maker, the ſoap-maker, and the candle-maker conſume while employed in their ſervice.

In Great Britain, the principal taxes upon the neceſſaries of life are thoſe upon the four commodities juſt now mentioned, ſalt, leather, ſoap, and candles.

Salt is a very ancient and a very univerſal ſubject of taxation. It was taxed among the Romans, and it is ſo at preſent in, I believe, every part of Europe. The quantity annually conſumed by any individual is ſo ſmall, and may be purchaſed ſo gradually, that nobody, it ſeems to have been thought, could feel very ſenſibly even a pretty

heavy tax upon it. It is in England taxed at three ſhillings and four-pence a buſhel; about three times the original price of the commodity. In ſome other countries the tax is ſtill higher. Leather is a real neceſſary of life. The uſe of linen renders ſoap ſuch. In countries where the winter nights are long, candles are a neceſſary inſtrument of trade. Leather and ſoap are in Great Britain taxed at three half-pence a pound; candles at a penny; taxes which, upon the original price of leather, may amount to about eight or ten per cent.; upon that of ſoap to about twenty or five-and-twenty per cent.; and upon that of candles to about fourteen or fifteen per cent.; taxes which, though lighter than that upon ſalt, are ſtill very heavy. As all thoſe four commodities are real neceſſaries of life, ſuch heavy taxes upon them muſt increaſe ſomewhat the expenſe of the ſober and induſtrious poor, and muſt conſequently raiſe more or leſs the wages of their labor.

In a country where the winters are ſo cold as in Great Britain, fuel is, during that ſeaſon, in the ſtricteſt ſenſe of the word, a neceſſary of life, not only for the purpoſe of dreſſing victuals, but for the comfortable ſubſiſtence of many different ſorts of workmen who work within doors; and coals are the cheapeſt of all fuel. The price of fuel has ſo important an influence upon that of labor, that all over Great Britain manufactures have confined themſelves principally to the coal countries; other parts of the country, on account of the high price of this neceſſary article, not being able to work ſo cheap. In ſome manu-

factures, besides, coal is a necessary instrument of trade; as in those of glass, iron, and all other metals. If a bounty could in any case be reasonable, it might perhaps be so upon the transportation of coals from those parts of the country in which they abound, to those in which they are wanted. But the legislature, instead of a bounty, has imposed a tax of three shillings and threepence a ton upon coal carried coastways; which upon most sorts of coal is more than sixty per cent. of the original price at the coal-pit. Coals carried either by land or by inland navigation pay no duty. Where they are naturally cheap, they are consumed duty free: Where they are naturally dear, they are loaded with a heavy duty.

Such taxes, though they raise the price of subsistence, and consequently the wages of labor, yet they afford a considerable revenue to government, which it might not be easy to find in any other way. There may, therefore, be good reasons for continuing them. The bounty upon the exportation of corn, so far as it tends in the actual state of tillage to raise the price of that necessary article, produces all the like bad effects; and instead of affording any revenue, frequently occasions a very great expense to government. The high duties upon the importation of foreign corn, which in years of moderate plenty amount to a prohibition; and the absolute prohibition of the importation either of live cattle or of salt provisions, which takes place in the ordinary state of the law, and which, on account of the scarcity, is at

present ſuſpended for a limited time with regard to Ireland and the Britiſh plantations, have all the bad effects of taxes upon the neceſſaries of life, and produce no revenue to government. Nothing ſeems neceſſary for the repeal of ſuch regulations, but to convince the public of the futility of that ſyſtem in conſequence of which they have been eſtabliſhed.

Taxes upon the neceſſaries of life are much higher in many other countries than in Great Britain. Duties upon flour and meal when ground at the mill, and upon bread when baked at the oven, take place in many countries. In Holland the money price of the bread conſumed in towns is ſuppoſed to be doubled by means of ſuch taxes. In lieu of a part of them, the people who live in the country pay every year ſo much a head, according to the ſort of bread they are ſuppoſed to conſume. Thoſe who conſume wheaten bread, pay three guilders fifteen ſtivers; about ſix ſhillings and nine-pence halfpenny. Theſe, and ſome other taxes of the ſame kind, by raiſing the price of labor, are ſaid to have ruined the greater part of the manufactures of Holland *. Similar taxes, though not quite ſo heavy, take place in the Milaneſe, in the ſtates of Genoa, in the dutchy of Modena, in the dutchies of Parma, Placentia, and Guaſtalla, and in the eccleſiaſtical ſtate. A French † author

* Mémoires concernant les Droits, &c. p. 210, 211.

† Le Réformateur.

of ſome note has propoſed to reform the finances of his country, by ſubſtituting in the room of the greater part of other taxes, this moſt ruinous of all taxes. There is nothing ſo abſurd, ſays Cicero, which has not ſometimes been aſſerted by ſome philoſophers.

Taxes upon butchers meat are ſtill more common than thoſe upon bread. It may indeed be doubted whether butchers meat is any where a neceſſary of life. Grain and other vegetables, with the help of milk, cheeſe, and butter, or oil, where butter is not to be had, it is known from experience, can, without any butchers meat, afford the moſt plentiful, the moſt wholeſome, the moſt nouriſhing, and the moſt invigorating diet. Decency no where requires that any man ſhould eat butchers meat, as it in moſt places requires that he ſhould wear a linen ſhirt or a pair of leather ſhoes.

Conſumable commodities, whether neceſſaries or luxuries, may be taxed in two different ways. The conſumer may either pay an annual ſum on account of his uſing or conſuming goods of a certain kind; or the goods may be taxed while they remain in the hands of the dealer, and before they are delivered to the conſumer. The conſumable goods which laſt a conſiderable time before they are conſumed altogether, are moſt properly taxed in the one way. Thoſe of which the conſumption is either immediate or more ſpeedy, in the other. The coach-tax and plate tax are examples of the former method

of impoſing: The greater part of the other duties of exciſe and cuſtoms, of the latter.

A coach may, with good management, laſt ten or twelve years. It might be taxed, once for all, before it comes out of the hands of the coach-maker. But it is certainly more convenient for the buyer to pay four pounds a year for the privilege of keeping a coach, than to pay all at once forty or forty-eight pounds additional price to the coach-maker; or a ſum equivalent to what the tax is likely to coſt him during the time he uſes the ſame coach. A ſervice of plate, in the ſame manner, may laſt more than a century. It is certainly eaſier for the conſumer to pay five ſhillings a year for every hundred ounces of plate, near one per cent. of the value, than to redeem this long annuity at five and twenty or thirty years purchaſe, which would enhance the price at leaſt five-and-twenty or thirty per cent. The different taxes which affect houſes are certainly more conveniently paid by moderate annual payments, than by a heavy tax of equal value upon the firſt building or ſale of the houſe.

It was the well-known propoſal of Sir Matthew Decker, that all commodities, even thoſe of which the conſumption is either immediate or very ſpeedy, ſhould be taxed in this manner; the dealer advancing nothing, but the conſumer paying a certain annual ſum for the licence to conſume certain goods. The object of his ſcheme was to promote all the different branches

of foreign trade, particularly the carrying trade, by taking away all duties upon importation and exportation, and thereby enabling the merchant to employ his whole capital and credit in the purchaſe of goods and the freight of ſhips, no part of either being diverted towards the advancing of taxes. The project, however, of taxing, in this manner, goods of immediate or ſpeedy conſumption, ſeems liable to the four following very important objections. Firſt, the tax would be more unequal, or not ſo well proportioned to the expenſe and conſumption of the different contributors, as in the way in which it is commonly impoſed. The taxes upon ale, wine, and ſpirituous liquors, which are advanced by the dealers, are finally paid by the different conſumers exactly in proportion to their reſpective conſumption. But if the tax were to be paid by purchaſing a licence to drink thoſe liquors, the ſober would in proportion to his conſumption, be taxed much more heavily than the drunken conſumer. A family which exerciſed great hoſpitality would be taxed much more lightly than one who entertained fewer gueſts. Secondly, this mode of taxation, by paying for an annual, half-yearly, or quarterly licence to conſume certain goods, would diminiſh very much one of the principal conveniencies of taxes upon goods of ſpeedy conſumption; the piece-meal payment. In the price of three-pence halfpenny, which is at preſent paid for a pot of porter, the different taxes upon malt, hops, and beer, together with the extraordinary profit which the

brewer charges for having advanced them, may perhaps amount to about three halfpence. If a workman can conveniently ſpare thoſe three halfpence, he buys a pot of porter. If he cannot, he contents himſelf with a pint, and, as a penny ſaved is a penny got, he thus gains a farthing by his temperance. He pays the tax piece-meal, as he can afford to pay it, and when he can afford to pay it; and every act of payment is perfectly voluntary, and what he can avoid if he chuſes to do ſo. Thirdly, ſuch taxes would operate leſs as ſumptuary laws. When the licence was once purchaſed, whether the purchaſer drunk much or drunk little, his tax would be the ſame. Fourthly, if a workman were to pay all at once, by yearly, half-yearly, or quarterly payments, a tax equal to what he at preſent pays, with little or no inconveniency, upon all the different pots and pints of porter which he drinks in any ſuch period of time, the ſum might frequently diſtreſs him very much. This mode of taxation, therefore, it ſeems evident, could never, without the moſt grievous oppreſſion, produce a revenue nearly equal to what is derived from the preſent mode without any oppreſſion. In ſeveral countries, however, commodities of an immediate or very ſpeedy conſumption are taxed in this manner. In Holland, people pay ſo much a head for a licence to drink tea. I have already mentioned a tax upon bread, which, ſo far as it is conſumed in farm-houſes and country villages, is there levied in the ſame manner.

The duties of excife are impofed chiefly upon goods of home produce deftined for home confumption. They are impofed only upon a few forts of goods of the moft general ufe. There can never be any doubt either concerning the goods which are fubject to thofe duties, or concerning the particular duty which each fpecies of goods is fubject to. They fall almoft altogether upon what I call luxuries, excepting always the four duties above mentioned, upon falt, foap, leather, candles, and, perhaps, that upon green glafs.

The duties of cuftoms are much more ancient than thofe of excife. They feem to have been called cuftoms, as denoting cuftomary payments which had been in ufe from time immemorial. They appear to have been originally confidered as taxes upon the profits of merchants. During the barbarous times of feudal anarchy, merchants, like all the other inhabitants of burghs, were confidered as little better than emancipated bondmen, whofe perfons were defpifed, and whofe gains were envied. The great nobility, who confented that the king fhould tallage the profits of their own tenants, were not unwilling that he fhould tallage likewife thofe of an order of men whom it was much lefs their intereft to protect. In thofe ignorant times, it was not underftood, that the profits of merchants are a fubject not taxable directly; or that the final payment of all fuch taxes muft fall, with a confiderable over-charge, upon the confumers.

The gains of alien merchants were looked upon more unfavorably than thoſe of Engliſh merchants. It was natural, therefore, that thoſe of the former ſhould be taxed more heavily than thoſe of the latter. This diſtinction between the duties upon aliens and thoſe upon Engliſh merchants, which was begun from ignorance, has been continued from the ſpirit of monopoly, or in order to give our own merchants an advantage both in the home and in the foreign market.

With this diſtinction, the ancient duties of cuſtoms were impoſed equally upon all ſorts of goods, neceſſaries as well as luxuries, goods exported as well as goods imported. Why ſhould the dealers in one ſort of goods, it ſeems to have been thought, be more favored than thoſe in another? or why ſhould the merchant exporter be more favored than the merchant importer?

The ancient cuſtoms were divided into three branches. The firſt, and perhaps the moſt ancient of all thoſe duties, was that upon wool and leather. It ſeems to have been chiefly or altogether an exportation duty. When the woollen manufacture came to be eſtabliſhed in England, leſt the king ſhould loſe any part of his cuſtoms upon wool by the exportation of woollen cloths, a like duty was impoſed upon them. The other two branches were, firſt, a duty upon wine, which, being impoſed at ſo much a ton, was called a tonnage; and, ſecondly, a duty upon all other goods, which, being impoſed at ſo

much a pound of their fuppofed value, was called a poundage. In the forty-feventh year of Edward III. a duty of fixpence in the pound was impofed upon all goods exported and imported, except wools, wool-fells, leather, and wines, which were fubject to particular duties. In the fourteenth of Richard II. this duty was raifed to one fhilling in the pound; but three years afterwards, it was again reduced to fixpence. It was raifed to eight-pence in the fecond year of Henry IV.; and in the fourth year of the fame prince, to one fhilling. From this time to the ninth year of William III. this duty continued at one fhilling in the pound. The duties of tonnage and poundage were generally granted to the king by one and the fame act of parliament, and were called the Subfidy of Tonnage and Poundage. The fubfidy of poundage having continued for fo long a time at one fhilling in the pound, or at five per cent.; a fubfidy came, in the language of the cuftoms, to denote a general duty of this kind of five per cent. This fubfidy, which is now called the Old Subfidy, ftill continues to be levied according to the book of rates eftablifhed in the twelfth of Charles II. The method of afcertaining, by a book of rates, the value of goods fubject to this duty, is faid to be older than the time of James I. The new fubfidy impofed by the ninth and tenth of William III., was an additional five per cent. upon the greater part of goods. The one-third and the two-third fubfidy made up between them another five per

cent.

cent. of which they were proportionable parts. The fubfidy of 1747 made a fourth five per cent. upon the greater part of goods; and that of 1759, a fifth upon fome particular forts of goods. Befides thofe five fubfidies, a great variety of other duties have occafionally been impofed upon particular forts of goods, in order fometimes to relieve the exigencies of the ftate, and fometimes to regulate the trade of the country, according to the principles of the mercantile fyftem.

That fyftem has come gradually more and more into fafhion. The old fubfidy was impofed indifferently upon exportation as well as importation. The four fubfequent fubfidies, as well as the other duties which have fince been occafionally impofed upon particular forts of goods, have, with a few exceptions, been laid altogether upon importation. The greater part of the ancient duties which had been impofed upon the exportation of the goods of home produce and manufacture, have either been lightened or taken away altogether. In moft cafes they have been taken away. Bounties have even been given upon the exportation of fome of them. Drawbacks too, fometimes of the whole, and, in moft cafes, of a part of the duties which are paid upon the importation of foreign goods, have been granted upon their exportation. Only half the duties impofed by the old fubfidy upon importation are drawn back upon exportation: but the whole of thofe impofed by the latter fubfidies and other impofts are, upon

the greater part of goods, drawn back in the ſame manner. This growing favor of exportation, and diſcouragement of importation, have ſuffered only a few exceptions, which chiefly concern the materials of ſome manufactures. Theſe, our merchants and manufacturers are willing ſhould come as cheap as poſſible to themſelves, and as dear as poſſible to their rivals and competitors in other countries. Foreign materials are, upon this account, ſometimes allowed to be imported duty free; Spaniſh wool, for example, flax, and raw linen yarn. The exportation of the materials of home produce, and of thoſe which are the particular produce of our colonies, has ſometimes been prohibited, and ſometimes ſubjected to higher duties. The exportation of Engliſh wool has been prohibited. That of beaver ſkins, of beaver wool, and of gum Senega, has been ſubjected to higher duties; Great Britain, by the conqueſt of Canada and Senegal, having got almoſt the monopoly of thoſe commodities.

That the mercantile ſyſtem has not been very favorable to the revenue of the great body of the people, to the annual produce of the land and labor of the country, I have endeavoured to ſhow in the fourth book of this Inquiry. It ſeems not to have been more favorable to the revenue of the ſovereign; ſo far at leaſt as that revenue depends upon the duties of cuſtoms.

In conſequence of that ſyſtem, the importation of ſeveral ſorts of goods has been prohibited altogether. This prohibition has in ſome caſes

entirely prevented, and in others has very much diminiſhed the importation of thoſe commodities, by reducing the importers to the neceſſity of ſmuggling. It has entirely prevented the importation of foreign woollens; and it has very much diminiſhed that of foreign ſilks and velvets. In both caſes it has entirely annihilated the revenue of cuſtoms which might have been levied upon ſuch importation.

The high duties which have been impoſed upon the importation of many different ſorts of foreign goods, in order to diſcourage their conſumption in Great Britain, have in many caſes ſerved only to encourage ſmuggling; and in all caſes have reduced the revenue of the cuſtoms below what more moderate duties would have afforded. The ſaying of Dr. Swift, that in the arithmetic of the cuſtoms two and two, inſtead of making four, make ſometimes only one, holds perfectly true with regard to ſuch heavy duties, which never could have been impoſed, had not the mercantile ſyſtem taught us, in many caſes, to employ taxation as an inſtrument, not of revenue, but of monopoly.

The bounties which are ſometimes given upon the exportation of home produce and manufactures, and the drawbacks which are paid upon the re-exportation of the greater part of foreign goods, have given occaſion to many frauds, and to a ſpecies of ſmuggling more deſtructive of the public revenue than any other. In order to obtain the bounty or drawback, the goods, it is well known, are ſometimes

ſhipped and ſent to ſea; but ſoon afterwards clandeſtinely relanded in ſome other part of the country. The defalcation of the revenue of cuſtoms occaſioned by bounties and drawbacks, of which a great part are obtained fraudulently, is very great. The groſs produce of the cuſtoms in the year which ended on the 5th of January 1755, amounted to 5,068,000*l.* The bounties which were paid out of this revenue, though in that year there was no bounty upon corn, amounted to 167,800*l.* The drawbacks which were paid upon debentures and certificates, to 2,156,800*l.* Bounties and drawbacks together, amounted to 2,334,600*l.* In conſequence of theſe deductions the revenue of the cuſtoms amounted only to 2,743,400*l.*: from which, deducting 287,900*l.* for the expenſe of management in ſalaries and other incidents, the neat revenue of the cuſtoms for that year comes out to be 2,455,500*l.* The expenſe of management amounts in this manner to between five and ſix per cent. upon the groſs revenue of the cuſtoms, and to ſomething more than ten per cent. upon what remains of that revenue, after deducting what is paid away in bounties and drawbacks.

Heavy duties being impoſed upon almoſt all goods imported, our merchants importers ſmuggle as much, and make entry of as little as they can. Our merchant exporters, on the contrary, make entry of more than they export; ſometimes out of vanity, and to paſs for great dealers in goods which pay no duty; and ſometimes to gain a

bounty or a drawback. Our exports, in conſequence of theſe different frauds, appear upon the cuſtomhouſe books greatly to overbalance our imports; to the unſpeakable comfort of thoſe politicians who meaſure the national proſperity by what they call the balance of trade.

All goods imported, unleſs particularly exempted, and ſuch exemptions are not very numerous, are liable to ſome duties of cuſtoms. If any goods are imported not mentioned in the book of rates, they are taxed at 4*s.* 9$\frac{9}{20}$*d.* for every twenty ſhillings value, according to the oath of the importer, that is, nearly at five ſubſidies, or five poundage duties. The book of rates is extremely comprehenſive and enumerates a great variety of articles, many of them little uſed, and therefore not well known. It is upon this account frequently uncertain under what article a particular ſort of goods ought to be claſſed, and conſequently what duty they ought to pay. Miſtakes with regard to this ſometimes ruin the cuſtomhouſe officer, and frequently occaſion much trouble, expenſe, and vexation to the importer. In point of perſpicuity, preciſion, and diſtinctneſs, therefore, the duties of cuſtoms are much inferior to thoſe of exciſe.

In order that the greater part of the members of any ſociety ſhould contribute to the public revenue in proportion to their reſpective expenſe, it does not ſeem neceſſary that every ſingle article of that expenſe ſhould be taxed. The revenue, which is levied by the duties of exciſe,

is ſuppoſed to fall as equally upon the contributors as that which is levied by the duties of cuſtoms; and the duties of exciſe are impoſed upon a few articles only of the moſt general uſe and conſumption. It has been the opinion of many people, that, by proper management, the duties of cuſtoms might likewiſe, without any loſs to the public revenue, and with great advantage to foreign trade, be confined to a few articles only.

The foreign articles, of the moſt general uſe and conſumption in Great Britain, ſeem at preſent to conſiſt chiefly in foreign wines and brandies; in ſome of the productions of America and the Weſt Indies, ſugar, rum, tobacco, cocoa-nuts, &c. and in ſome of thoſe of the Eaſt Indies, tea, coffee, china-ware, ſpiceries of all kinds, ſeveral ſorts of piece-goods, &c. Theſe different articles afford, perhaps, at preſent, the greater part of the revenue which is drawn from the duties of cuſtoms. The taxes which at preſent ſubſiſt upon foreign manufactures, if you except thoſe upon the few contained in the foregoing enumeration, have the greater part of them been impoſed for the purpoſe, not of revenue, but of monopoly, or to give our own merchants an advantage in the home market. By removing all prohibitions, and by ſubjecting all foreign manufactures to ſuch moderate taxes, as it was found upon experience afforded upon each article the greateſt revenue to the public, our own workmen might ſtill have a conſiderable advantage in the home market, and many articles, ſome of which at preſent afford no revenue

to government, and others a very inconſiderable one, might afford a very great one.

High taxes, ſometimes by diminiſhing the conſumption of the taxed commodities, and ſometimes by encouraging ſmuggling, frequently afford a ſmaller revenue to government than what might be drawn from more moderate taxes.

When the diminution of revenue is the effect of the diminution of conſumption, there can be but one remedy, and that is the lowering of the tax.

When the diminution of the revenue is the effect of the encouragement given to ſmuggling, it may perhaps be remedied in two ways; either by diminiſhing the temptation to ſmuggle, or by increaſing the difficulty of ſmuggling. The temptation to ſmuggle can be diminiſhed only by the lowering of the tax; and the difficulty of ſmuggling can be increaſed only by eſtabliſhing that ſyſtem of adminiſtration which is moſt proper for preventing it.

The exciſe laws, it appears, I believe, from experience, obſtruct and embarraſs the operations of the ſmuggler much more effectually than thoſe of the cuſtoms. By introducing into the cuſtoms a ſyſtem of adminiſtration as ſimilar to that of the exciſe as the nature of the different duties will admit, the difficulty of ſmuggling might be very much increaſed. This alteration, it has been ſuppoſed by many people, might very eaſily be brought about.

The importer of commodities liable to any duties of cuſtoms, it has been ſaid, might at his option be allowed either to carry them to his own private warehouſe, or to lodge them in a warehouſe provided either at his own expenſe or at that of the public, but under the key of the cuſtomhouſe officer, and never to be opened but in his preſence. If the merchant carried them to his own private warehouſe, the duties to be immediately paid, and never afterwards to be drawn back; and that warehouſe to be at all times ſubject to the viſit and examination of the cuſtomhouſe officer, in order to aſcertain how far the quantity contained in it correſponded with that for which the duty had been paid. If he carried them to the public warehouſe, no duty to be paid till they were taken out for home conſumption. If taken out for exportation, to be duty-free; proper ſecurity being always given that they ſhould be ſo exported. The dealers in thoſe particular commodities, either by wholeſale or retail, to be at all times ſubject to the viſit and examination of the cuſtomhouſe officer; and to be obliged to juſtify by proper certificates the payment of the duty upon the whole quantity contained in their ſhops or warehouſes. What are called the exciſe-duties upon rum imported are at preſent levied in this manner, and the ſame ſyſtem of adminiſtration might perhaps be extended to all duties upon goods imported; provided always that thoſe duties were, like the duties of exciſe, confined to a few ſorts of goods of the moſt general uſe and con-

ſumption. If they were extended to almoſt all ſorts of goods, as at preſent, public warehouſes of ſufficient extent could not eaſily be provided, and goods of a very delicate nature, or of which the preſervation required much care and attention, could not ſafely be truſted by the merchant in any warehouſe but his own.

If by ſuch a ſyſtem of adminiſtration ſmuggling, to any conſiderable extent, could be prevented even under pretty high duties; and if every duty was occaſionally either heightened or lowered according as it was moſt likely, either the one way or the other, to afford the greateſt revenue to the ſtate; taxation being always employed as an inſtrument of revenue and never of monopoly; it ſeems not improbable that a revenue, at leaſt equal to the preſent neat revenue of the cuſtoms, might be drawn from duties upon the importation of only a few ſorts of goods of the moſt general uſe and conſumption; and that the duties of cuſtoms might thus be brought to the ſame degree of ſimplicity, certainty, and preciſion, as thoſe of exciſe. What the revenue at preſent loſes, by drawbacks upon the re-exportation of foreign goods which are afterwards relanded and conſumed at home, would under this ſyſtem be ſaved altogether. If to this ſaving, which would alone be very conſiderable, were added the abolition of all bounties upon the exportation of home-produce; in all caſes in which thoſe bounties were not in reality drawbacks of ſome duties of exciſe which had before been advanced; it cannot well be

doubted but that the neat revenue of cuſtoms might, after an alteration of this kind, be fully equal to what it had ever been before.

If by ſuch a change of ſyſtem the public revenue ſuffered no loſs, the trade and manufactures of the country would certainly gain a very conſiderable advantage. The trade in the commodities not taxed, by far the greateſt number, would be perfectly free, and might be carried on to and from all parts of the world with every poſſible advantage. Among thoſe commodities would be comprehended all the neceſſaries of life, and all the materials of manufacture. So far as the free importation of the neceſſaries of life reduced their average money price in the home market, it would reduce the money price of labor, but without reducing in any reſpect its real recompenſe. The value of money is in proportion to the quantity of the neceſſaries of life which it will purchaſe. That of the neceſſaries of life is altogether independent of the quantity of money which can be had for them. The reduction in the money price of labor would neceſſarily be attended with a proportionable one in that of all home-manufactures, which would thereby gain ſome advantage in all foreign markets. The price of ſome manufactures would be reduced in a ſtill greater proportion by the free importation of the raw materials. If raw ſilk could be imported from China and Indoſtan duty-free, the ſilk manufactures in England could greatly underſell thoſe of both France and Italy. There would be no occaſion to prohibit the importation of foreign ſilks and velvets.

The cheapneſs of their goods would ſecure to our own workmen, not only the poſſeſſion of the home, but a very great command of the foreign market. Even the trade in the commodities taxed would be carried on with much more advantage than at preſent. If thoſe commodities were delivered out of the public warehouſe for foreign exportation, being in this caſe exempted from all taxes, the trade in them would be perfectly free. The carrying trade in all ſorts of goods would under this ſyſtem enjoy every poſſible advantage. If thoſe commodities were delivered out for home-conſumption, the importer not being obliged to advance the tax till he had an opportunity of ſelling his goods, either to ſome dealer, or to ſome conſumer, he could always afford to ſell them cheaper than if he had been obliged to advance it at the moment of importation. Under the ſame taxes, the foreign trade of conſumption even in the taxed commodities, might in this manner be carried on with much more advantage than it can at preſent.

It was the object of the famous exciſe ſcheme of Sir Robert Walpole to eſtabliſh, with regard to wine and tobacco, a ſyſtem not very unlike that which is here propoſed. But though the bill which was then brought into parliament, comprehended thoſe two commodities only; it was generally ſuppoſed to be meant as an introduction to a more extenſive ſcheme of the ſame kind. Faction, combined with the intereſt of ſmuggling merchants, raiſed ſo violent, though ſo unjuſt, a clamor againſt that bill, that the miniſter thought

proper to drop it; and from a dread of exciting a clamor of the ſame kind, none of his ſucceſſors have dared to reſume the project.

The duties upon foreign luxuries imported for home-conſumption, though they ſometimes fall upon the poor, fall principally upon people of middling or more than middling fortune. Such are, for example, the duties upon foreign wines, upon coffee, chocolate, tea, ſugar, &c.

The duties upon the cheaper luxuries of home-produce deſtined for home-conſumption, fall pretty equally upon people of all ranks in proportion to their reſpective expenſe. The poor pay the duties upon malt, hops, beer, and ale, upon their own conſumption: The rich, upon both their own conſumption and that of their ſervants.

The whole conſumption of the inferior ranks of people, or of thoſe below the middling rank, it muſt be obſerved, is in every country much greater, not only in quantity, but in value, than that of the middling and of thoſe above the middling rank. The whole expenſe of the inferior is much greater than that of the ſuperior ranks. In the firſt place, almoſt the whole capital of every country is annually diſtributed among the inferior ranks of people, as the wages of productive labor. Secondly, a great part of the revenue ariſing from both the rent of land and the profits of ſtock, is annually diſtributed among the ſame rank, in the wages and maintenance of menial ſervants, and other unproductive laborers. Thirdly, ſome part of the profits of ſtock belongs

to the ſame rank, as a revenue ariſing from the employment of their ſmall capitals. The amount of the profits annually made by ſmall ſhopkeepers, tradeſmen, and retailers of all kinds, is every where very conſiderable, and makes a very conſiderable portion of the annual produce. Fourthly, and laſtly, ſome part even of the rent of land belongs to the ſame rank; a conſiderable part to thoſe who are ſomewhat below the middling rank, and a ſmall part even to the loweſt rank; common laborers ſometimes poſſeſſing in property an acre or two of land. Though the expenſe of thoſe inferior ranks of people, therefore, taking them individually, is very ſmall, yet the whole maſs of it, taking them collectively, amounts always to by much the largeſt portion of the whole expenſe of the ſociety; what remains, of the annual produce of the land and labor of the country for the conſumption of the ſuperior ranks, being always much leſs, not only in quantity but in value. The taxes upon expenſe, therefore, which fall chiefly upon that of the ſuperior ranks of people, upon the ſmaller portion of the annual produce, are likely to be much leſs productive than either thoſe which fall indifferently upon the expenſe of all ranks, or even thoſe which fall chiefly upon that of the inferior ranks; than either thoſe which fall indifferently upon the whole annual produce, or thoſe which fall chiefly upon the larger portion of it. The exciſe upon the materials and manufacture of home-made fermented and ſpirituous liquors is accordingly,

of all the different taxes upon expenſe, by far the moſt productive; and this branch of the exciſe falls very much, perhaps principally, upon the expenſe of the common people. In the year which ended on the 5th of July 1775, the groſs produce of this branch of the exciſe amounted to 3,341,837 *l.* 9 *s.* 9 *d.*

It muſt always be remembered, however, that it is the luxurious and not the neceſſary expenſe of the inferior ranks of people that ought ever to be taxed The final payment of any tax upon their neceſſary expenſe would fall altogether upon the ſuperior ranks of people; upon the ſmaller portion of the annual produce, and not upon the greater. Such a tax muſt in all caſes either raiſe the wages of labor, or leſſen the demand for it. It could not raiſe the wages of labor, without throwing the final payment of the tax upon the ſuperior ranks of people It could not leſſen the demand for labor, without leſſening the annual produce of the land and labor of the country, the fund from which all taxes muſt be finally paid. Whatever might be the ſtate to which a tax of this kind reduced the demand for labor, it muſt always raiſe wages higher than they otherwiſe would be in that ſtate; and the final payment of this enhancement of wages muſt in all caſes fall upon the ſuperior ranks of people.

Fermented liquors brewed, and ſpirituous liquors diſtilled, not for ſale, but for private uſe, are not in Great Britain liable to any duties of exciſe. This exemption, of which the object is to ſave private families from the odious viſit and examination of

the tax-gatherer, occaſions the burden of thoſe duties to fall frequently much lighter upon the rich than upon the poor. It is not, indeed, very common to diſtil for private uſe, though it is done ſometimes. But in the country, many middling and almoſt all rich and great families brew their own beer. Their ſtrong beer, therefore, coſts them eight ſhillings a barrel leſs than it coſts the common brewer, who muſt have his profit upon the tax, as well as upon all the other expenſe which he advances. Such families, therefore, muſt drink their beer at leaſt nine or ten ſhillings a barrel cheaper than any liquor of the ſame quality can be drunk by the common people, to whom it is every where more convenient to buy their beer, by little and little, from the brewery or the alehouſe. Malt, in the ſame manner, that is made for the uſe of a private family, is not liable to the viſit or examination of the tax-gatherer; but in this caſe the family muſt compound at ſeven ſhillings and ſixpence a head for the tax. Seven ſhillings and ſixpence are equal to the exciſe upon ten buſhels of malt; a quantity fully equal to what all the different members of any ſober family, men, women, and children, are at an average likely to conſume. But in rich and great families, where country hoſpitality is much practiſed, the malt liquors conſumed by the members of the family make but a ſmall part of the conſumption of the houſe. Either on account of this compoſition, however, or for other reaſons, it is not near ſo common to malt as to brew for private uſe. It is difficult to imagine any equitable reaſon

why thoſe who either brew or diſtil for private uſe, ſhould not be ſubject to a compoſition of the ſame kind.

A greater revenue than what is at preſent drawn from all the heavy taxes upon malt, beer, and ale, might be raiſed, it has frequently been ſaid, by a much lighter tax upon malt; the opportunities of defrauding the revenue being much greater in a brewery than in a malt-houſe; and thoſe who brew for private uſe being exempted from all duties or compoſition for duties, which is not the caſe with thoſe who malt for private uſe.

In the porter brewery of London, a quarter of malt is commonly brewed into more than two barrels and a half, ſometimes into three barrels of porter. The different taxes upon malt amount to ſix ſhillings a quarter; thoſe upon ſtrong beer and ale to eight ſhillings a barrel. In the porter brewery, therefore, the different taxes upon malt, beer, and ale, amount to between twenty-ſix and thirty ſhillings upon the produce of a quarter of malt. In the country brewery for common country ſale, a quarter of malt is ſeldom brewed into leſs than two barrels of ſtrong and one barrel of ſmall beer; frequently into two barrels and a half of ſtrong beer. The different taxes upon ſmall beer amount to one ſhilling and fourpence a barrel. In the country brewery, therefore, the different taxes upon malt, beer, and ale, ſeldom amount to leſs than twenty-three ſhillings and four pence, frequently to twenty-ſix ſhillings, upon the produce of a quarter of malt. Taking the whole kingdom at an average, therefore, the

whole amount of the duties upon malt, beer, and ale, cannot be eſtimated at leſs than twenty-four or twenty-five ſhillings upon the produce of a quarter of malt. But by taking off all the different duties upon beer and ale, and by tripling the malt-tax, or by raiſing it from ſix to eighteen ſhillings upon the quarter of malt, a greater revenue, it is ſaid, might be raiſed by this ſingle tax than what is at preſent drawn from all thoſe heavier taxes.

	l.	*s.*	*d.*
In 1772, the old malt tax produced -	722,023	11	11
The additional - - -	356,776	7	$9\frac{3}{4}$
In 1773, the old tax produced - -	561,627	3	$7\frac{1}{2}$
The additional - - -	278,650	15	$3\frac{3}{4}$
In 1774, the old tax produced - -	624,614	17	$5\frac{3}{4}$
The additional - - -	310,745	2	$8\frac{1}{2}$
In 1775, the old tax produced - -	657,357	-	$8\frac{1}{4}$
The additional - - -	323,785	12	$6\frac{1}{2}$
	4) 3,835,580	12	- $\frac{3}{4}$
Average of theſe four years -	958,895	3	- $\frac{9}{16}$
In 1772, the country exciſe produced	1,243,128	5	3
The London brewery -	408,260	7	$2\frac{3}{4}$
In 1773, the country exciſe - -	1,245,808	3	3
The London brewery -	405,406	17	$10\frac{1}{2}$
In 1774, the country exciſe - -	1,246,373	14	$5\frac{1}{2}$
The London brewery -	320,601	18	- $\frac{1}{4}$
In 1775, the country exciſe - -	1,214,583	6	1
The London brewery -	463,670	7	- $\frac{1}{4}$
	4) 6,547,832	19	$2\frac{1}{4}$
Average of theſe four years -	1,636,958	4	$9\frac{1}{2}$
To which adding the average malt tax, or	958,895	3	- $\frac{3}{16}$
The whole amount of thoſe different taxes comes out to be - - -	2,595,853	7	$9\frac{11}{16}$
But by tripling the malt tax, or by raiſing it from ſix to eighteen ſhillings upon the quarter of malt, that ſingle tax would produce - - - -	2,876,685	9	- $\frac{1}{3}$
A ſum which exceeds the foregoing by	280,832	1	$2\frac{14}{16}$

Under the old malt tax, indeed, is comprehended a tax of four ſhillings upon the hogſhead of cider, and another of ten ſhillings upon the barrel of mum. In 1774, the tax upon cider produced only 3083 *l.* 6 *s.* 8 *d.* It probably fell ſomewhat ſhort of its uſual amount; all the different taxes upon cider having, that year, produced leſs than ordinary. The tax upon mum, though much heavier, is ſtill leſs productive, on account of the ſmaller conſumption of that liquor. But to balance whatever may be the ordinary amount of thoſe two taxes; there is comprehended under what is called The country exciſe, firſt, the old exciſe of ſix ſhillings and eight-pence upon the hogſhead of cider; ſecondly, a like tax of ſix ſhillings and eight-pence upon the hogſhead of verjuice; thirdly, another of eight ſhillings and nine-pence upon the hogſhead of vinegar; and, laſtly, a fourth tax of eleven-pence upon the gallon of mead or metheglin: the produce of thoſe different taxes will probably much more than counterbalance that of the duties impoſed, by what is called The annual malt tax upon cider and mum.

Malt is conſumed not only in the brewery of beer and ale, but in the manufacture of low wines and ſpirits. If the malt tax were to be raiſed to eighteen ſhillings upon the quarter, it might be neceſſary to make ſome abatement in the different exciſes which are impoſed upon thoſe particular ſorts of low wines and ſpirits of which malt makes any part of the materials. In what are called Malt ſpirits, it makes commonly but a third part

of the materials; the other two-thirds being either raw barley, or one-third barley and one-third wheat. In the diſtillery of malt ſpirits, both the opportunity and the temptation to ſmuggle, are much greater than either in a brewery or in a malt-houſe; the opportunity, on account of the ſmaller bulk and greater value of the commodity; and the temptation, on account of the ſuperior height of the duties, which amount to 3 *s.* 10$\frac{2}{3}$ *d.** upon the gallon of ſpirits. By increaſing the duties upon malt, and reducing thoſe upon the diſtillery, both the opportunities and the temptation to ſmuggle would be diminiſhed, which might occaſion a ſtill further augmentation of revenue.

It has for ſome time paſt been the policy of Great Britain to diſcourage the conſumption of ſpirituous liquors, on account of their ſuppoſed tendency to ruin the health and to corrupt the morals of the common people. According to this policy, the abatement of the taxes upon the diſtillery ought not to be ſo great as to reduce, in any reſpect, the price of thoſe liquors. Spirituous liquors might remain as dear as ever; while at the ſame time the wholeſome and invigorating liquors of beer and ale might be conſiderably reduced in their price. The people might thus be in part relieved from one of the burdens of which they

* Though the duties directly impoſed upon proof ſpirits amount only to 2 *s.* 6 *d.* per gallon, theſe added to the duties upon the low wines, from which they are diſtilled, amount to 3*s.* 10$\frac{2}{3}$ *d.* Both low wines and proof ſpirits are, to prevent frauds, now rated according to what they gauge in the waſh.

at present complain the most; while at the same time the revenue might be considerably augmented.

The objections of Dr. Davenant to this alteration in the present system of excise duties, seem to be without foundation. Those objections are, that the tax, instead of dividing itself as at present pretty equally upon the profit of the malster, upon that of the brewer, and upon that of the retailer, would so far as it affected profit, fall altogether upon that of the malster; that the malster could not so easily get back the amount of the tax in the advanced price of his malt, as the brewer and retailer in the advanced price of their liquor; and that so heavy a tax upon malt might reduce the rent and profit of barley land.

No tax can ever reduce, for any considerable time, the rate of profit in any particular trade, which must always keep its level with other trades in the neighbourhood. The present duties upon malt, beer, and ale, do not affect the profits of the dealers in those commodities, who all get back the tax with an additional profit, in the enhanced price of their goods. A tax indeed may render the goods upon which it is imposed so dear as to diminish the consumption of them. But the consumption of malt is in malt liquors; and a tax of eighteen shillings upon the quarter of malt could not well render those liquors dearer than the different taxes, amounting to twenty-four or twenty-five shillings, do at present. Those liquors, on the contrary, would probably become cheaper, and the consumption

of them would be more likely to increafe than to diminifh.

It is not very eafy to underftand why it fhould be more difficult for the malfter to get back eighteen fhillings in the advanced price of his malt, than it is at prefent for the brewer to get back twenty-four or twenty-five, fometimes thirty fhillings, in that of his liquor. The malfter, indeed, inftead of a tax of fix fhillings, would be obliged to advance one of eighteen fhillings upon every quarter of malt. But the brewer is at prefent obliged to advance a tax of twenty-four or twenty-five, fometimes thirty fhillings upon every quarter of malt which he brews. It could not be more inconvenient for the malfter to advance a lighter tax, than it is at prefent for the brewer to advance a heavier one. The malfter doth not always keep in his granaries a ftock of malt which it will require a longer time to difpofe of, than the ftock of beer and ale which the brewer frequently keeps in his cellars. The former, therefore, may frequently get the returns of his money as foon as the latter. But whatever inconveniency might arife to the malfter from being obliged to advance a heavier tax, it could eafily be remedied by granting him a few months longer credit than is at prefent commonly given to the brewer.

Nothing could reduce the rent and profit of barley land which did not reduce the demand for barley. But a change of fyftem, which reduces the duties upon a quarter of malt brewed into beer and ale from twenty-four and twenty-five fhillings to eighteen fhillings, would be more likely to

increaſe than diminiſh that demand. The rent and profit of barley land, beſides, muſt always be nearly equal to thoſe of other equally fertile and equally well cultivated land. If they were leſs, ſome part of the barley land would ſoon be turned to ſome other purpoſe; and if they were greater, more land would ſoon be turned to the raiſing of barley. When the ordinary price of any particular produce of land is at what may be called a monopoly price, a tax upon it neceſſarily reduces the rent and profit of the land which grows it. A tax upon the produce of thoſe precious vineyards, of which the wine falls ſo much ſhort of the effectual demand, that its price is always above the natural proportion to that of the produce of other equally fertile and equally well cultivated land, would neceſſarily reduce the rent and profit of thoſe vineyards. The price of the wines being already the higheſt that could be got for the quantity commonly ſent to market, it could not be raiſed higher without diminiſhing that quantity; and the quantity could not be diminiſhed without ſtill greater loſs, becauſe the lands could not be turned to any other equally valuable produce. The whole weight of the tax, therefore, would fall upon the rent and profit; properly upon the rent of the vineyard. When it has been propoſed to lay any new tax upon ſugar, our ſugar planters have frequently complained that the whole weight of ſuch taxes fell, not upon the conſumer, but upon the producer; they never having been able to raiſe the price

of their ſugar after the tax, higher than it was before. The price had, it ſeems, before the tax been a monopoly price; and the argument, adduced to ſhow that ſugar was an improper ſubject of taxation, demonſtrated, perhaps, that it was a proper one; the gains of monopoliſts, whenever they can be come at, being certainly of all ſubjects the moſt proper. But the ordinary price of barley has never been a monopoly price; and the rent and profit of barley land have never been above their natural proportion to thoſe of other equally fertile and equally well cultivated land. The different taxes which have been impoſed upon malt, beer, and ale, have never lowered the price of barley; have never reduced the rent and profit of barley land. The price of malt to the brewer has conſtantly riſen in proportion to the taxes impoſed upon it; and thoſe taxes, together with the different duties upon beer and ale, have conſtantly either raiſed the price, or what comes to the ſame thing, reduced the quality of thoſe commodities to the conſumer. The final payment of thoſe taxes has fallen conſtantly upon the conſumer, and not upon the producer.

The only people likely to ſuffer by the change of ſyſtem here propoſed, are thoſe who brew for their own private uſe. But the exemption, which this ſuperior rank of people at preſent enjoy, from very heavy taxes which are paid by the poor laborer and artificer, is ſurely moſt unjuſt and unequal, and ought to be taken away,

even though this change was never to take place. It has probably been the intereſt of this ſuperior order of people, however, which has hitherto prevented a change of ſyſtem that could not well fail both to increaſe the revenue and to relieve the people.

Beſides ſuch duties as thoſe of cuſtoms and exciſe above mentioned; there are ſeveral others which affect the price of goods more unequally and more indirectly. Of this kind are the duties which in French are called Péages, which in old Saxon times where called Duties of Paſſage, and which ſeem to have been originally eſtabliſhed for the ſame purpoſe as our turnpike tolls, or the tolls upon our canals and navigable rivers, for the maintenance of the road or of the navigation. Thoſe duties, when applied to ſuch purpoſes, are moſt properly impoſed according to the bulk or weight of the goods. As they were originally local and provincial duties, applicable to local and provincial purpoſes, the adminiſtration of them was in moſt caſes intruſted to the particular town, pariſh, or lordſhip, in which they were levied; ſuch communities being in ſome way or other ſuppoſed to be accountable for the application. The ſovereign, who is altogether unaccountable, has in many countries aſſumed to himſelf the adminiſtration of thoſe duties; and though he has in moſt caſes enhanced very much the duty, he has in many entirely neglected the application. If the turnpike tolls of Great Britain ſhould ever become one of the reſources of government, we may

learn, by the example of many other nations, what would probably be the confequence. Such tolls are no doubt finally paid by the confumer; but the confumer is not taxed in proportion to his expenfe when he pays, not according to the value, but according to the bulk or weight of what he confumes. When fuch duties are impofed, not according to the bulk or weight, but according to the fuppofed value of the goods, they become properly a fort of inland cuftoms or excifes, which obftruct very much the moft important of all branches of commerce, the interior commerce of the country.

In fome fmall ftates duties fimilar to thofe paffage duties are impofed upon goods carried acrofs the territory, either by land or by water, from one foreign country to another. Thefe are in fome countries called tranfit-duties. Some of the little Italian ftates, which are fituated upon the Po, and the rivers which run into it, derive fome revenue from duties of this kind, which are paid altogether by foreigners, and which, perhaps, are the only duties that one ftate can impofe upon the fubjects of another, without obftructing in any refpect the induftry or commerce of its own. The moft important tranfit-duty in the world is that levied by the king of Denmark upon all merchant fhips which pafs through the Sound.

Such taxes upon luxuries as the greater part of the duties of cuftoms and excife, though they all fall indifferently upon every different fpecies of revenue, and are paid finally, or without any

retribution, by whoever confumes the commodities upon which they are impofed, yet they do not always fall equally or proportionably upon the revenue of every individual. As every man's humor regulates the degree of his confumption, every man contributes rather according to his humor than in proportion to his revenue; the profufe contribute more, the parfimonious lefs, than their proper proportion. During the minority of a man of great fortune, he contributes commonly very little, by his confumption, towards the fupport of that ftate from whofe protection he derives a great revenue. Thofe who live in another country contribute nothing, by their confumption, towards the fupport of the government of that country, in which is fituated the fource of their revenue. If in this latter country there fhould be no land-tax, nor any confiderable duty upon the transference either of moveable or of immoveable property, as is the cafe in Ireland, fuch abfentees may derive a great revenue from the protection of a government to the fupport of which they do not contribute a fingle fhilling. This inequality is likely to be greateft in a country of which the government is in fome refpects fubordinate and dependent upon that of fome other. The people who poffefs the moft extenfive property in the dependent, will in this cafe generally chufe to live in the governing country. Ireland is precifely in this fituation, and we cannot therefore wonder that the propofal of a tax upon abfentees fhould be fo very popular in that country. It might,

perhaps, be a little difficult to afcertain either what fort, or what degree of abfence would fubject a man to be taxed as an abfentee, or at what precife time the tax fhould either begin or end. If you except, however, this very peculiar fituation, any inequality in the contribution of individuals, which can arife from fuch taxes, is much more than compenfated by the very circumftance which occafions that inequality; the circumftance that every man's contribution is altogether voluntary; it being altogether in his power either to confume or not to confume the commodity taxed. Where fuch taxes, therefore, are properly affeffed and upon proper commodities, they are paid with lefs grumbling than any other. When they are advanced by the merchant or manufacturer, the confumer, who finally pays them, foon comes to confound them with the price of the commodities, and almoft forgets that he pays any tax.

Such taxes are or may be perfectly certain, or may be affeffed fo as to leave no doubt concerning either what ought to be paid, or when it ought to be paid; concerning either the quantity or the time of payment. Whatever uncertainty there may fometimes be, either in the duties of cuftoms in Great Britain, or in other duties of the fame kind in other countries, it cannot arife from the nature of thofe duties, but from the inaccurate or unfkilful manner in which the law that impofes them is expreffed.

Taxes upon luxuries generally are, and always may be, paid piece-meal, or in proportion

as the contributors have occaſion to purchaſe the goods upon which they are impoſed. In the time and mode of payment they are, or may be, of all taxes the moſt convenient. Upon the whole, ſuch taxes, therefore, are, perhaps, as agreeable to the three firſt of the four general maxims concerning taxation, as any other. They offend in every reſpect againſt the fourth.

Such taxes, in proportion to what they bring into the public treaſury of the ſtate, always take out or keep out of the pockets of the people more than almoſt any other taxes. They ſeem to do this in all the four different ways in which it is poſſible to do it.

Firſt, the levying of ſuch taxes, even when impoſed in the moſt judicious manner, requires a great number of cuſtomhouſe and exciſe officers, whoſe ſalaries and perquiſites are a real tax upon the people, which brings nothing into the treaſury of the ſtate. This expenſe, however, it muſt be acknowledged, is more moderate in Great Britain than in moſt other countries. In the year which ended on the fifth of July 1775, the groſs produce of the different duties, under the management of the commiſſioners of exciſe in England, amounted to 5,507,308 *l.* 18 *s.* 8¼ *d.* which was levied at an expenſe of little more than five and a half per cent. From this groſs produce, however, there muſt be deducted what was paid away in bounties and drawbacks upon the exportation of exciſeable goods, which will reduce the neat produce below five

millions *. The levying of the ſalt duty, an exciſe duty, but under a different management, is much more expenſive. The neat revenue of the cuſtoms does not amount to two millions and a half, which is levied at an expenſe of more than ten per cent. in the ſalaries of officers, and other incidents. But the perquiſites of cuſtomhouſe officers are every where much greater than their ſalaries; at ſome ports more than double or triple thoſe ſalaries. If the ſalaries of officers, and other incidents, therefore, amount to more than ten per cent. upon the neat revenue of the cuſtoms; the whole expenſe of levying that revenue may amount, in ſalaries and perquiſites together, to more than twenty or thirty per cent. The officers of exciſe receive few or no perquiſites, and the adminiſtration of that branch of the revenue being of more recent eſtabliſhment, is in general leſs corrupted than that of the cuſtoms, into which length of time has introduced and authorized many abuſes. By charging upon malt the whole revenue which is at preſent levied by the different duties upon malt and malt liquors, a ſaving, it is ſuppoſed, of more than fifty thouſand pounds might be made in the annual expenſe of the exciſe. By confining the duties or cuſtoms to a few ſorts of goods, and by levying thoſe duties according to the exciſe laws, a much greater ſaving might

* The neat produce of that year, after deducting all expenſes and allowances, amounted to 4,975,652*l.* 19*s.* 6 d.

probably be made in the annual expenfe of the cuftoms.

Secondly, fuch taxes neceffarily occafion fome obftruction or difcouragement to certain branches of induftry. As they always raife the price of the commodiy taxed, they fo far difcourage its confumption, and confequently its production. If it is a commodity of home growth or manufacture, lefs labor comes to be employed in raifing and producing it. If it is a foreign commodity of which the tax increafes in this manner the price, the commodities of the fame kind which are made at home may thereby, indeed, gain fome advantage in the home market, and a greater quantity of domeftic induftry may thereby be turned toward preparing them. But though this rife of price in a foreign commodity may encourage domeftic induftry in one particular branch, it neceffarily difcourages that induftry in almoft every other. The dearer the Birmingham manufacturer buys his foreign wine, the cheaper he neceffarily fells that part of his hardware with which, or, what comes to the fame thing, with the price of which he buys it. That part of his hardware, therefore, becomes of lefs value to him, and he has lefs encouragement to work at it. The dearer the confumers in one country pay for the furplus produce of another, the cheaper they neceffarily fell that part of their own furplus produce with which, or, what comes to the fame thing, with the price of which they buy it. That part of their own furplus produce

becomes of lefs value to them, and they have lefs encouragement to increafe its quantity. All taxes upon confumable commodities, therefore, tend to reduce the quantity of productive labor below what it otherwife would be, either in preparing the commodities taxed, if they are home commodities; or in preparing thofe with which they are purchafed, if they are foreign commodities. Such taxes too always alter, more or lefs, the natural direction of national induftry, and turn it into a channel always different from, and generally lefs advantageous than that in which it would have run of its own accord.

Thirdly, the hope of evading fuch taxes by fmuggling gives frequent occafion to forfeitures and other penalties, which entirely ruin the fmuggler; a perfon who, though no doubt highly blamable for violating the laws of his country, is frequently incapable of violating thofe of natural juftice, and would have been, in every refpect, an excellent citizen, had not the laws of his country made that a crime which nature never meant to be fo. In thofe corrupted governments where there is at leaft a general fufpicion of much unneceffary expenfe, and great mifapplication of the public revenue, the laws which guard it are little refpected. Not many people are fcrupulous about fmuggling, when, without perjury, they can find any eafy and fafe opportunity of doing fo. To pretend to have any fcruple about buying fmuggled goods, though a manifeft encouragement to the violation of the revenue laws, and to the perjury which almoft

always attends it, would in moſt countries be regarded as one of thoſe pedantic pieces of hypocriſy which, inſtead of gaining credit with any body, ſerve only to expoſe the perſon who affects to practiſe them, to the ſuſpicion of being a greater knave than moſt of his neighbours. By this indulgence of the public, the ſmuggler is often encouraged to continue a trade which he is thus taught to conſider as in ſome meaſure innocent; and when the ſeverity of the revenue laws is ready to fall upon him, he is frequently diſpoſed to defend with violence, what he has been accuſtomed to regard as his juſt property. From being at firſt, perhaps, rather imprudent than criminal, he at laſt too often becomes one of the hardieſt and moſt determined violators of the laws of ſociety. By the ruin of the ſmuggler, his capital, which had before been employed in maintaining productive labor, is abſorbed either in the revenue of the ſtate or in that of the revenue-officer, and is employed in maintaining unproductive, to the diminution of the general capital of the ſociety, and of the uſeful induſtry which it might otherwiſe have maintained.

Fourthly, ſuch taxes, by ſubjecting at leaſt the dealers in the taxed commodities to the frequent viſits and odious examination of the tax-gatherers, expoſe them ſometimes, no doubt, to ſome degree of oppreſſion, and always to much trouble and vexation; and though vexation, as has already been ſaid, is not ſtrictly

ſpeaking

ſpeaking expenſe, it is certainly equivalent to the expenſe at which every man would be willing to redeem himſelf from it. The laws of exciſe, though more effectual for the purpoſe for which they were inſtituted, are, in this reſpect, more vexatious than thoſe of the cuſtoms. When a merchant has imported goods ſubject to certain duties of cuſtoms, when he has paid thoſe duties, and lodged the goods in his warehouſe, he is not in moſt caſes liable to any further trouble or vexation from the cuſtomhouſe officer. It is otherwiſe with goods ſubject to duties of exciſe. The dealers have no reſpite from the continual viſits and examination of the exciſe officers. The duties of exciſe are, upon this account, more unpopular than thoſe of the cuſtoms; and ſo are the officers who levy them. Thoſe officers, it is pretended, though in general, perhaps, they do their duty fully as well as thoſe of the cuſtoms; yet, as that duty obliges them to be frequently very troubleſome to ſome of their neighbours, commonly contract a certain hardneſs of character which the others frequently have not. This obſervation, however, may very probably be the mere ſuggeſtion of fraudulent dealers, whoſe ſmuggling is either prevented or detected by their diligence.

The inconveniencies, however, which are, perhaps, in ſome degree inſeparable from taxes upon conſumable commodities, fall as light upon the people of Great Britain as upon thoſe of any other country of which the government is nearly as expenſive. Our ſtate is not perfect, and might

be mended; but it is as good or better than that of moſt of our neighbours.

In conſequence of the notion that duties upon conſumable goods were taxes upon the profits of merchants, thoſe duties have, in ſome countries, been repeated upon every ſucceſſive ſale of the goods. If the profits of the merchant importer or merchant manufacturer were taxed, equality ſeemed to require that thoſe of all the middle buyers, who intervened between either of them and the conſumer, ſhould likewiſe be taxed. The famous Alcavala of Spain ſeems to have been eſtabliſhed upon this principle. It was at firſt a tax of ten per cent., afterwards of fourteen per cent., and is at preſent of only ſix per cent. upon the ſale of every ſort of property, whether moveable or immoveable; and it is repeated every time the property is ſold. * The levying of this tax requires a multitude of revenue-officers ſufficient to guard the tranſportation of goods, not only from one province to another, but from one ſhop to another. It ſubjects, not only the dealers in ſome ſorts of goods, but thoſe in all ſorts, every farmer, every manufacturer, every merchant and ſhop-keeper, to the continual viſits and examination of the tax-gatherers. Through the greater part of a country in which a tax of this kind is eſtabliſhed, nothing can be produced for diſtant ſale. The produce of every part of the country muſt be

* Mémoires concernant les Droits, &c. tom. i. p. 455.

proportioned to the consumption of the neighbourhood. It is to the Alcavala, accordingly, that Ustaritz imputes the ruin of the manufactures of Spain. He might have imputed to it likewise the declension of agriculture, it being imposed not only upon manufactures, but upon the rude produce of the land.

In the kingdom of Naples there is a similar tax of three per cent. upon the value of all contracts, and consequently upon that of all contracts of sale. It is both lighter than the Spanish tax, and the greater part of towns and parishes are allowed to pay a composition in lieu of it. They levy this composition in what manner they please, generally in a way that gives no interruption to the interior commerce of the place. The Neapolitan tax, therefore, is not near so ruinous as the Spanish one.

The uniform system of taxation, which, with a few exceptions of no great consequence, takes place in all the different parts of the united kingdom of Great Britain, leaves the interior commerce of the country, the inland and coasting trade, almost entirely free. The inland trade is almost perfectly free, and the greater part of goods may be carried from one end of the kingdom to the other, without requiring any permit or let-pass, without being subject to question, visit, or examination from the revenue officers. There are a few exceptions, but they are such as can give no interruption to any important branch of the inland commerce of the country.

Goods carried coaſtwiſe, indeed, require certificates or coaſt-cockets. If you except coals, however, the reſt are almoſt all duty-free. This freedom of interior commerce, the effect of the uniformity of the ſyſtem of taxation, is perhaps one of the principal cauſes of the proſperity of Great Britain; every great country being neceſſarily the beſt and moſt extenſive market for the greater part of the productions of its own induſtry. If the ſame freedom, in conſequence of the ſame uniformity, could be extended to Ireland and the plantations, both the grandeur of the ſtate and the proſperity of every part of the empire, would probably be ſtill greater than at preſent.

In France, the different revenue laws which take place in the different provinces, require a multitude of revenue-officers to ſurround, not only the frontiers of the kingdom, but thoſe of almoſt each particular province, in order either to prevent the importation of certain goods, or to ſubject it to the payment of certain duties, to the no ſmall interruption of the interior commerce of the country. Some provinces are allowed to compound for the gabelle or ſalt-tax. Others are exempted from it altogether. Some provinces are exempted from the excluſive ſale of tobacco, which the farmers-general enjoy through the greater part of the kingdom. The aides, which correſpond to the exciſe in England, are very different in different provinces. Some provinces are exempted from them, and pay a compoſition or equivalent. In thoſe in which they take place and are in farm, there are many

local duties which do not extend beyond a particular town or diſtrict. The Traites, which correſpond to our cuſtoms, divide the kingdom into three great parts; firſt, the provinces ſubject to the tarif of 1664, which are called the provinces of the five great farms, and under which are comprehended Picardy, Normandy, and the greater part of the interior provinces of the kingdom; ſecondly, the provinces ſubject to the tarif of 1667, which are called the provinces reckoned foreign, and under which are comprehended the greater part of the frontier provinces; and, thirdly, thoſe provinces which are ſaid to be treated as foreign, or which, becauſe they are allowed a free commerce with foreign countries, are in their commerce with the other provinces of France ſubjected to the ſame duties as other foreign countries. Theſe are Alſace, the three biſhoprics of Metz, Toul, and Verdun, and the three cities of Dunkirk, Bayonne, and Marſeilles. Both in the provinces of the five great farms (called ſo on account of an ancient diviſion of the duties of cuſtoms into five great branches, each of which was originally the ſubject of a particular farm, though they are now all united into one), and in thoſe which are ſaid to be reckoned foreign, there are many local duties which do not extend beyond a particular town or diſtrict. There are ſome ſuch even in the provinces which are ſaid to be treated as foreign, particularly in the city of Marſeilles. It is unneceſſary to obſerve how much, both the reſtraints upon the

interior commerce of the country, and the number of the revenue officers muſt be multiplied, in order to guard the frontiers of thoſe different provinces and diſtricts, which are ſubject to ſuch different ſyſtems of taxation.

Over and above the general reſtraints ariſing from this complicated ſyſtem of revenue laws, the commerce of wine, after corn perhaps the moſt important production of France, is in the greater part of the provinces ſubject to particular reſtraints, ariſing from the favor which has been ſhown to the vineyards of particular provinces and diſtricts, above thoſe of others. The provinces moſt famous for their wines, it will be found, I believe, are thoſe in which the trade in that article is ſubject to the feweſt reſtraints of this kind. The extenſive market which ſuch provinces enjoy, encourages good management both in the cultivation of their vineyards, and in the ſubſequent preparation of their wines.

Such various and complicated revenue laws are not peculiar to France. The little dutchy of Milan is divided into ſix provinces, in each of which there is a different ſyſtem of taxation with regard to ſeveral different ſorts of conſumable goods. The ſtill ſmaller territories of the duke of Parma are divided into three or four, each of which has, in the ſame manner, a ſyſtem of its own. Under ſuch abſurd management, nothing, but the great fertility of the ſoil and happineſs of the climate, could preſerve ſuch countries from ſoon relapſing into the loweſt ſtate of poverty and barbariſm.

Taxes upon consumable commodities may either be levied by an administration of which the officers are appointed by government and are immediately accountable to government, of which the revenue must in this case vary from year to year, according to the occasional variations in the produce of the tax; or they may be lett in farm for a rent certain, the farmer being allowed to appoint his own officers, who, though obliged to levy the tax in the manner directed by the law, are under his immediate inspection, and are immediately accountable to him. The best and most frugal way of levying a tax can never be by farm. Over and above what is necessary for paying the stipulated rent, the salaries of the officers, and the whole expense of administration, the farmer must always draw from the produce of the tax a certain profit proportioned at least to the advance which he makes, to the risk which he runs, to the trouble which he is at, and to the knowledge and skill which it requires to manage so very complicated a concern. Government, by establishing an administration under their own immediate inspection, of the same kind with that which the farmer establishes, might at least save this profit, which is almost always exorbitant. To farm any considerable branch of the public revenue, requires either a great capital or a great credit; circumstances which would alone restrain the competition for such an undertaking to a very small number of people. Of the few who have this capital or credit, a still smaller number have the necessary knowledge or

experience; another circumſtance which reſtrains the competition ſtill further. The very few, who are in condition to become competitors, find it more for their intereſt to combine together; to become copartners inſtead of competitors, and when the farm is ſet up to auction, to offer no rent, but what is much below the real value. In countries where the public revenues are in farm, the farmers are generally the moſt opulent people. Their wealth would alone excite the public indignation, and the vanity which almoſt always accompanies ſuch upſtart fortunes, the fooliſh oſtentation with which they commonly diſplay that wealth, excites that indignation ſtill more.

The farmers of the public revenue never find the laws too ſevere, which puniſh any attempt to evade the payment of a tax. They have no bowels for the contributors, who are not their ſubjects, and whoſe univerſal bankruptcy, if it ſhould happen the day after their farm is expired, would not much affect their intereſt. In the greateſt exigencies of the ſtate, when the anxiety of the ſovereign for the exact payment of his revenue is neceſſarily the greateſt, they ſeldom fail to complain that without laws more rigorous than thoſe which actually take place, it will be impoſſible for them to pay even the uſual rent. In thoſe moments of public diſtreſs their demands cannot be diſputed. The revenue laws, therefore, become gradually more and more ſevere. The moſt ſanguinary are always to be found in countries where the greater part of the public revenue is in farm. The mildeſt, in

countries where it is levied under the immediate inſpection of the ſovereign. Even a bad ſovereign feels more compaſſion for his people than can ever be expected from the farmers of his revenue. He knows that the permanent grandeur of his family depends upon the proſperity of his people, and he will never knowingly ruin that proſperity for the ſake of any momentary intereſt of his own. It is otherwiſe with the farmers of his revenue, whoſe grandeur may frequently be the effect of the ruin, and not of the proſperity of his people.

A tax is, ſometimes, not only farmed for a certain rent, but the farmer has, beſides, the monopoly of the commodity taxed. In France, the duties upon tobacco and ſalt are levied in this manner. In ſuch caſes the farmer, inſtead of one, levies two exorbitant profits upon the people; the profit of the farmer, and the ſtill more exorbitant one of the monopoliſt. Tobacco being a luxury, every man is allowed to buy or not to buy as he chuſes. But ſalt being a neceſſary, every man is obliged to buy of the farmer a certain quantity of it; becauſe, if he did not buy this quantity of the farmer, he would, it is preſumed, buy it of ſome ſmuggler. The taxes upon both commodities are exorbitant. The temptation to ſmuggle conſequently is to many people irreſiſtible, while at the ſame time the rigor of the law, and the vigilance of the farmer's officers, render the yielding to that temptation almoſt certainly ruinous. The ſmuggling of ſalt and tobacco ſends every year ſeveral

hundred people to the gallies, besides a very considerable number whom it sends to the gibbet. Those taxes levied in this manner yield a very considerable revenue to government. In 1767, the farm of tobacco was let for twenty-two millions five hundred and forty-one thousand two hundred and seventy eight livres a year. That of salt, for thirty-six millions four hundred and ninety-two thousand four hundred and four livres. The farm in both cases was to commence in 1768, and to last for six years. Those who consider the blood of the people as nothing in comparison with the revenue of the prince, may perhaps approve of this method of levying taxes. Similar taxes and monopolies of salt and tobacco have been established in many other countries; particularly in the Austrian and Prussian dominions, and in the greater part of the states of Italy.

In France, the greater part of the actual revenue of the crown is derived from eight different sources; the taille, the capitation, the two vingtiemes, the gabelles, the aides, the traites, the domaine, and the farm of tobacco. The five last are, in the greater part of the provinces, under farm. The three first are every where levied by an administration under the immediate inspection and direction of government, and it is universally acknowledged that, in proportion to what they take out of the pockets of the people, they bring more into the treasury of the prince than the other five, of which the administration is much more wasteful and expensive.

The finances of France feem, in their prefent ftate, to admit of three very obvious reformations. Firft, by abolifhing the taille and the capitation, and by increafing the number of vingtiemes, fo as to produce an additional revenue equal to the amount of thofe other taxes, the revenue of the crown might be preferved; the expenfe of collection might be much diminifhed; the vexation of the inferior ranks of people, which the taille and capitation occafion, might be entirely prevented; and the fuperior ranks might not be more burdened than the greater part of them are at prefent. The vingtieme, I have already obferved, is a tax very nearly of the fame kind with what is called the land-tax of England. The burden of the taille, it is acknowledged, falls finally upon the proprietors of land; and as the greater part of the capitation is affeffed upon thofe who are fubject to the taille at fo much a pound of that other tax, the final payment of the greater part of it muft likewife fall upon the fame order of people. Though the number of the vingtiemes, therefore, was increafed fo as to produce an additional revenue equal to the amount of both thofe taxes, the fuperior ranks of people might not be more burdened than they are at prefent. Many individuals no doubt would, on account of the great inequalities with which the taille is commonly affeffed upon the eftates and tenants of different individuals. The intereft and oppofition of fuch favored fubjects are the obftacles moft likely to prevent this or any other reformation of the

fame kind. Secondly, by rendering the gabelle, the aides, the traites, the taxes upon tobacco, all the different cuftoms and excifes, uniform in all the different parts of the kingdom, thofe taxes might be levied at much lefs expenfe, and the interior commerce of the kingdom might be rendered as free as that of England. Thirdly, and laftly, by fubjecting all thofe taxes to an adminiftration under the immediate infpection and direction of government, the exorbitant profits of the farmers general might be added to the revenue of the ftate. The oppofition arifing from the private intereft of individuals, is likely to be as effectual for preventing the two laft as the firft mentioned fcheme of reformation.

The French fyftem of taxation feems, in every refpect, inferior to the Britifh. In Great Britain ten millions fterling are annually levied upon lefs than eight millions of people, without its being poffible to fay that any particular order is oppreffed. From the collections of the Abbé Expilly, and the obfervations of the author of the Effay upon the legiflation and commerce of corn, it appears probable, that France, including the provinces of Lorraine and Bar, contains about twenty-three or twenty-four millions of people; three times the number perhaps contained in Great Britain. The foil and climate of France are better than thofe of Great Britain. The country has been much longer in a ftate of improvement and cultivation, and is, upon that account, better ftocked with all thofe things which it requires a long time to raife up and

accumulate, ſuch as great towns, and convenient and well-built houſes, both in town and country. With theſe advantages it might be expected that in France a revenue of thirty millions might be levied for the ſupport of the ſtate, with as little inconveniency as a revenue of ten millions is in Great Britain. In 1765 and 1766, the whole revenue paid into the treaſury of France, according to the beſt, though, I acknowledge, very imperfect, accounts which I could get of it, uſually run between 308 and 325 millions of livres; that is, it did not amount to fifteen millions ſterling; not the half of what might have been expected, had the people contributed in the ſame proportion to their numbers as the people of Great Britain. The people of France, however, it is generally acknowledged, are much more oppreſſed by taxes than the people of Great Britain. France, however, is certainly the great empire in Europe which, after that of Great Britain, enjoys the mildeſt and moſt indulgent government.

In Holland the heavy taxes upon the neceſſaries of life have ruined, it is ſaid, their principal manufactures, and are likely to diſcourage gradually even their fiſheries and their trade in ſhip-building. The taxes upon the neceſſaries of life are inconſiderable in Great Britain, and no manufacture has hitherto been ruined by them. The Britiſh taxes which bear hardeſt on manufactures are ſome duties upon the importation of raw materials, particularly upon that of raw ſilk. The revenue of the ſtates

general and of the different cities, however, is ſaid to amount to more than five millions two hundred and fifty thouſand pounds ſterling; and as the inhabitants of the United Provinces cannot well be ſuppoſed to amount to more than a third part of thoſe of Great Britain, they muſt, in proportion to their number, be much more heavily taxed.

After all the proper ſubjects of taxation have been exhauſted, if the exigencies of the ſtate ſtill continue to require new taxes, they muſt be impoſed upon improper ones. The taxes upon the neceſſaries of life, therefore, may be no impeachment of the wiſdom of that republic, which, in order to acquire and to maintain its independency, has, in ſpite of its great frugality, been involved in ſuch expenſive wars as have obliged it to contract great debts. The ſingular countries of Holland and Zealand, beſides, require a conſiderable expenſe even to preſerve their exiſtence, or to prevent their being ſwallowed up by the ſea, which muſt have contributed to increaſe conſiderably the load of taxes in thoſe two provinces. The republican form of government ſeems to be the principal ſupport of the preſent grandeur of Holland. The owners of great capitals, the great mercantile families, have generally either ſome direct ſhare, or ſome indirect influence in the adminiſtration of that government. For the ſake of the reſpect and authority which they derive from this ſituation, they are willing to live in a country where their capital, if they employ it themſelves, will bring

them lefs profit, and if they lend it to another, lefs intereft; and where the very moderate revenue which they can draw from it will purchafe lefs of the neceffaries and conveniencies of life than in any other part of Europe. The refidence of fuch wealthy people neceffarily keeps alive, in fpite of all difadvantages, a certain degree of induftry in the country. Any public calamity which fhould deftroy the republican form of government, which fhould throw the whole adminiftration into the hands of nobles and of foldiers, which fhould annihilate altogether the importance of thofe wealthy merchants, would foon render it difagreeable to them to live in a country where they were no longer likely to be much refpected. They would remove both their refidence and their capital to fome other country, and the induftry and commerce of Holland would foon follow the capitals which fupported them.

CHAP. III.

Of public Debts.

IN that rude ftate of fociety which precedes the extenfion of commerce and the improvement of manufactures, when thofe expenfive luxuries which commerce and manufactures can alone introduce, are altogether unknown, the perfon who poffeffes a large revenue, I have endeavoured to fhow in

the third book of this Inquiry, can ſpend or enjoy that revenue in no other way than by maintaining nearly as many people as it can maintain. A large revenue may at all times be ſaid to conſiſt in the command of a large quantity of the neceſſaries of life. In that rude ſtate of things it is commonly paid in a large quantity of thoſe neceſſaries, in the materials of plain food and coarſe clothing, in corn and cattle, in wool and raw hides. When neither commerce nor manufactures furniſh any thing for which the owner can exchange the greater part of thoſe materials which are over and above his own conſumption, he can do nothing with the ſurplus but feed and clothe nearly as many people as it will feed and clothe. A hoſpitality in which there is no luxury, and a liberality in which there is no oſtentation, occaſion, in this ſituation of things, the principal expenſes of the rich and the great. But theſe, I have likewiſe endeavoured to ſhow in the ſame book, are expenſes by which people are not very apt to ruin themſelves. There is not, perhaps, any ſelfiſh pleaſure ſo frivolous, of which the purſuit has not ſometimes ruined even ſenſible men. A paſſion for cock-fighting has ruined many. But the inſtances, I believe, are not very numerous of people who have been ruined by a hoſpitality or liberality of this kind; though the hoſpitality of luxury and the liberality of oſtentation have ruined many. Among our feudal anceſtors, the long time during which eſtates uſed to continue in the ſame family, ſufficiently demonſtrates the general diſpoſition of people

to

to live within their income. Though the ruftic hofpitality, conftantly exercifed by the great landholders, may not, to us in the prefent times, feem confiftent with that order, which we are apt to confider as infeparably connected with good œconomy, yet we muft certainly allow them to have been at leaft fo far frugal as not commonly to have fpent their whole income. A part of their wool and raw hides they had generally an opportunity of felling for money. Some part of this money, perhaps, they fpent in purchafing the few objects of vanity and luxury, with which the circumftances of the times could furnifh them; but fome part of it they feem commonly to have hoarded. They could not well indeed do any thing elfe but hoard whatever money they faved. To trade was difgraceful to a gentleman, and to lend money at intereft, which at that time was confidered as ufury and prohibited by law, would have been ftill more fo. In thofe times of violence and diforder, befides, it was convenient to have a hoard of money at hand, that in cafe they fhould be driven from their own home, they might have fomething of known value to carry with them to fome place of fafety. The fame violence, which made it convenient to hoard, made it equally convenient to conceal the hoard. The frequency of treafure-trove, or of treafure found of which no owner was known, fufficiently demonftrates the frequency in thofe times both of hoarding and of concealing the hoard. Treafure-trove was then confidered as an important branch

of the revenue of the ſovereign. All the treaſure-trove of the kingdom would ſcarce perhaps in the preſent times make an important branch of the revenue of a private gentleman of a good eſtate.

The ſame diſpoſition to ſave and to hoard prevailed in the ſovereign, as well as in the ſubjects. Among nations to whom commerce and manufactures are little known, the ſovereign, it has already been obſerved in the fourth book, is in a ſituation which naturally diſpoſes him to the parſimony requiſite for accumulation. In that ſituation the expenſe even of a ſovereign cannot be directed by that vanity which delights in the gaudy finery of a court. The ignorance of the times affords but few of the trinkets in which that finery conſiſts. Standing armies are not then neceſſary, ſo that the expenſe even of a ſovereign, like that of any other great lord, can be employed in ſcarce any thing but bounty to his tenants, and hoſpitality to his retainers. But bounty and hoſpitality very ſeldom lead to extravagance; though vanity almoſt always does. All the ancient ſovereigns of Europe accordingly, it has already been obſerved, had treaſures. Every Tartar chief in the preſent times is ſaid to have one.

In a commercial country abounding with every ſort of expenſive luxury, the ſovereign, in the ſame manner as almoſt all the great proprietors in his dominions, naturally ſpends a great part of his revenue in purchaſing thoſe luxuries. His own and the neighbouring countries ſupply him abundantly with all the coſtly trinkets which

compofe the fplendid, but infignificant pageantry of a court. For the fake of an inferior pageantry of the fame kind, his nobles difmifs their retainers, make their tenants independent, and become gradually themfelves as infignificant as the greater part of the wealthy burghers in his dominions. The fame frivolous paffions, which influence their conduct, influence his. How can it be fuppofed that he fhould be the only rich man in his dominions who is infenfible to pleafures of this kind? If he does not, what he is very-likely to do, fpend upon thofe pleafures fo great a part of his revenue as to debilitate very much the defenfive power of the ftate, it cannot well be expected that he fhould not fpend upon them all that part of it which is over and above what is neceffary for fupporting that defenfive power. His ordinary expenfe becomes equal to his ordinary revenue, and it is well if it does not frequently exceed it. The amaffing of treafure can no longer be expected, and when extraordinary exigencies require extraordinary expenfes, he muft neceffarily call upon his fubjects for an extraordinary aid. The prefent and the late king of Pruffia are the only great princes of Europe who, fince the death of Henry IV. of France in 1610, are fuppofed to have amaffed any confiderable treafure. The parfimony which leads to accumulation has become almoft as rare in republican as in monarchical governments. The Italian republics, the United Provinces of the Netherlands, are all in debt. The canton of Berne is the fingle republic

in Europe which has amaſſed any conſiderable treaſure. The other Swiſs republics have not. The taſte for ſome ſort of pageantry, for ſplendid buildings, at leaſt, and other public ornaments, frequently prevails as much in the apparently ſober ſenate-houſe of a little republic, as in the diſſipated court of the greateſt king.

The want of parſimony in time of peace, impoſes the neceſſity of contracting debt in time of war. When war comes, there is no money in the treaſury but what is neceſſary for carrying on the ordinary expenſe of the peace eſtabliſhment. In war an eſtabliſhment of three or four times that expenſe becomes neceſſary for the defence of the ſtate, and conſequently a revenue three or four times greater than the peace revenue. Suppoſing that the ſovereign ſhould have, what he ſcarce ever has, the immediate means of augmenting his revenue in proportion to the augmentation of his expenſe, yet ſtill the produce of the taxes, from which this increaſe of revenue muſt be drawn, will not begin to come into the treaſury till perhaps ten or twelve months after they are impoſed. But the moment in which war begins, or rather the moment in which it appears likely to begin, the army muſt be augmented, the fleet muſt be fitted out, the garriſoned towns muſt be put into a poſture of defence; that army, that fleet, thoſe garriſoned towns muſt be furniſhed with arms, ammunition, and proviſions An immediate and great expenſe muſt be incurred in that moment of immediate danger, which will not wait for the

gradual and ſlow returns of the new taxes. In this exigency government can have no other reſource but in borrowing.

The ſame commercial ſtate of ſociety which, by the operation of moral cauſes, brings government in this manner into the neceſſity of borrowing, produces in the ſubjects both an ability and an inclination to lend. If it commonly brings along with it the neceſſity of borrowing, it likewiſe brings along with it the facility of doing ſo.

A country abounding with merchants and manufacturers, neceſſarily abounds with a ſet of people through whoſe hands not only their own capitals, but the capitals of all thoſe who either lend them money, or truſt them with goods, paſs as frequently, or more frequently, than the revenue of a private man, who, without trade or buſineſs, lives upon his income, paſſes through his hands. The revenue of ſuch a man can regularly paſs through his hands only once in a year. But the whole amount of the capital and credit of a merchant, who deals in a trade of which the returns are very quick, may ſometimes paſs through his hands two, three, or four times in a year. A country abounding with merchants and manufacturers, therefore, neceſſarily abounds with a ſet of people who have it at all times in their power to advance, if they chuſe to do ſo, a very large ſum of money to government. Hence the ability in the ſubjects of a commercial ſtate to lend.

Commerce and manufactures can ſeldom flouriſh long in any ſtate which does not enjoy a regular

adminiſtration of juſtice, in which the people do not feel themſelves ſecure in the poſſeſſion of their property, in which the faith of contracts is not ſupported by law, and in which the authority of the ſtate is not ſuppoſed to be regularly employed in enforcing the payment of debts from all thoſe who are able to pay. Commerce and manufactures, in ſhort, can ſeldom flouriſh in any ſtate in which there is not a certain degree of confidence in the juſtice of government. The ſame confidence which diſpoſes great merchants and manufacturers, upon ordinary occaſions, to truſt their property to the protection of a particular government; diſpoſes them, upon extraordinary occaſions, to truſt that government with the uſe of their property. By lending money to government, they do not even for a moment diminiſh their ability to carry on their trade and manufactures. On the contrary, they commonly augment it. The neceſſities of the ſtate render government upon moſt occaſions willing to borrow upon terms extremely advantageous to the lender. The ſecurity which it grants to the original creditor, is made tranſferable to any other creditor, and, from the univerſal confidence in the juſtice of the ſtate, generally ſells in the market for more than was originally paid for it. The merchant or monied man makes money by lending money to government, and inſtead of diminiſhing, increaſes his trading capital. He generally conſiders it as a favor, therefore, when the adminiſtration admits him to a ſhare in the firſt ſubſcription for a new loan.

Hence the inclination or willingneſs in the ſubjects of a commercial ſtate to lend.

The government of ſuch a ſtate is very apt to repoſe itſelf upon this ability and willingneſs of its ſubjects to lend it their money on extraordinary occaſions. It foreſees the facility of borrowing, and therefore diſpenſes itſelf from the duty of ſaving.

In a rude ſtate of ſociety there are no great mercantile or manufacturing capitals. The individuals who hoard whatever money they can ſave, and who conceal their hoard, do ſo from a diſtruſt of the juſtice of government, from a fear that if it was known that they had a hoard, and where that hoard was to be found, they would quickly be plundered. In ſuch a ſtate of things few people would be able, and nobody would be willing, to lend their money to government on extraordinary exigencies. The ſovereign feels that he muſt provide for ſuch exigencies by ſaving, becauſe he foreſees the abſolute impoſſibility of borrowing. This foreſight increaſes ſtill further his natural diſpoſition to ſave.

The progreſs of the enormous debts which at preſent oppreſs, and will in the long-run probably ruin, all the great nations of Europe, has been pretty uniform. Nations, like private men, have generally begun to borrow upon what may be called perſonal credit, without aſſigning or mortgaging any particular fund for the payment of the debt; and when this reſource has failed

them, they have gone on to borrow upon aſſignments or mortgages of particular funds.

What is called the unfunded debt of Great Britain, is contracted in the former of thoſe two ways. It conſiſts partly in a debt which bears, or is ſuppoſed to bear, no intereſt, and which reſembles the debts that a private man contracts upon account; and partly in a debt which bears intereſt, and which reſembles what a private man contracts upon his bill or promiſſory note. The debts which are due either for extraordinary ſervices, or for ſervices either not provided for, or not paid at the time when they are performed; part of the extraordinaries of the army, navy, and ordnance, the arrears of ſubſidies to foreign princes, thoſe of ſeamen's wages, &c. uſually conſtitute a debt of the firſt kind. Navy and Exchequer bills, which are iſſued ſometimes in payment of a part of ſuch debts and ſometimes for other purpoſes, conſtitute a debt of the ſecond kind; Exchequer bills bearing intereſt from the day on which they are iſſued, and navy bills ſix months after they are iſſued. The bank of England, either by voluntarily diſcounting thoſe bills at their current value, or by agreeing with government for certain conſiderations to circulate Exchequer bills, that is, to receive them at par, paying the intereſt which happens to be due upon them, keeps up their value and facilitates their circulation, and thereby requently enables government to contract a very large debt of this kind. In France, where there is no bank, the ſtate bills (billets d'état *) have

* See Examen des Réflexions politiques ſur les Finances.

ſometimes ſold at ſixty and ſeventy per cent. diſcount. During the great re-coinage in king William's time, when the bank of England thought proper to put a ſtop to its uſual tranſactions, Exchequer bills and tallies are ſaid to have ſold from twenty-five to ſixty per cent. diſcount; owing partly, no doubt, to the ſuppoſed inſtability of the new government eſtabliſhed by the Revolution, but partly too to the want of the ſupport of the bank of England.

When this reſource is exhauſted, and it becomes neceſſary, in order to raiſe money, to aſſign or mortgage ſome particular branch of the public revenue for the payment of the debt, government has upon different occaſions done this in two different ways. Sometimes it has made this aſſignment or mortgage for a ſhort period of time only, a year, or a few years, for example; and ſometimes for perpetuity. In the one caſe the fund was ſuppoſed ſufficient to pay, within the limited time, both principal and intereſt of the money borrowed. In the other it was ſuppoſed ſufficient to pay the intereſt only, or a perpetual annuity equivalent to the intereſt, government being at liberty to redeem at any time this annuity, upon paying back the principal ſum borrowed. When money was raiſed in the one way, it was ſaid to be raiſed by anticipation; when in the other, by perpetual funding, or, more ſhortly, by funding.

In Great Britain the annual land and malt taxes are regularly anticipated every year, by virtue of a borrowing clauſe conſtantly inſerted into the acts

which impoſe them. The bank of England generally advances at an intereſt, which ſince the Revolution has varied from eight to three per cent. the ſums for which thoſe taxes are granted, and receives payment as their produce gradually comes in. If there is a deficiency, which there always is, it is provided for in the ſupplies of the enſuing year. The only conſiderable branch of the public revenue which yet remains unmortgaged is thus regularly ſpent before it comes in. Like an improvident ſpendthrift, whoſe preſſing occaſions will not allow him to wait for the regular payment of his revenue, the ſtate is in the conſtant practice of borrowing of its own factors and agents, and of paying intereſt for the uſe of its own money.

In the reign of king William, and during a great part of that of queen Anne, before we had become ſo familiar as we are now with the practice of perpetual funding, the greater part of the new taxes were impoſed but for a ſhort period of time (for four, five, ſix, or ſeven years only), and a great part of the grants of every year conſiſted in loans upon anticipations of the produce of thoſe taxes. The produce being frequently inſufficient for paying within the limited term the principal and intereſt of the money borrowed, deficiencies aroſe, to make good which it became neceſſary to prolong the term.

In 1697, by the 8th of William III. c. 20. the deficiencies of ſeveral taxes were charged upon what was then called the firſt general mortgage or fund, conſiſting of a prolongation to the firſt of

Auguſt 1706, of ſeveral different taxes, which would have expired within a ſhorter term, and of which the produce was accumulated into one general fund. The deficiencies charged upon this prolonged term amounted to 5,160,459 *l.* 14 *s.* 9¼ *d.*

In 1701 thoſe duties, with ſome others, were ſtill further prolonged for the like purpoſes till the firſt of Auguſt 1710, and were called the ſecond general mortgage or fund. The deficiencies charged upon it amounted to 2,055,999 *l.* 7 *s.* 11½ *d.*

In 1707, thoſe duties were ſtill further prolonged, as a fund for new loans, to the firſt of Auguſt 1712, and were called the third general mortgage or fund. The ſum borrowed upon it was 983,254 *l.* 11 *s.* 9¼ *d.*

In 1708, thoſe duties were all (except the old ſubſidy of tonnage and poundage, of which one moiety only was made a part of this fund, and a duty upon the importation of Scotch linen, which had been taken off by the articles of union) ſtill further continued, as a fund for new loans, to the firſt of Auguſt 1714, and were called the fourth general mortgage or fund. The ſum borrowed upon it was 925,176 *l.* 9 *s.* 2¼ *d.*

In 1709, thoſe duties were all (except the old ſubſidy of tonnage and poundage, which was now left out of this fund altogether) ſtill further continued for the ſame purpoſe to the firſt of Auguſt 1716, and were called the fifth general mortgage or fund. The ſum borrowed upon it was 922,029 *l.* 6 *s.* 0 *d.*

In 1710, thoſe duties were again prolonged to

the firſt of Auguſt 1720, and were called the ſixth general mortgage or fund. The ſum borrowed upon it was 1,296,552 *l.* 9 *s.* 11¾ *d.*

In 1711, the ſame duties (which at this time were thus ſubject to four different anticipations) together with ſeveral others were continued for ever, and made a fund for paying the intereſt of the capital of the South Sea company, which had that year advanced to government, for paying debts and making good deficiencies, the ſum of 9,177,967 *l.* 15 *s.* 4 *d.*; the greateſt loan which at that time had ever been made.

Before this period, the principal, ſo far as I have been able to obſerve, the only taxes which in order to pay the intereſt of a debt had been impoſed for perpetuity, were thoſe for paying the intereſt of the money which had been advanced to government by the Bank and Eaſt India company, and of what it was expected would be advanced, but which was never advanced, by a projected land bank. The bank fund at this time amounted to 3,375,027 *l.* 17 *s.* 10½ *d.* for which was paid an annuity or intereſt of 206,501 *l.* 13 *s.* 5 *d.* The Eaſt India fund amounted to 3,200,000 *l.* for which was paid an annuity or intereſt of 160,000 *l.*; the bank fund being at ſix per cent., the Eaſt India fund at five per cent. intereſt.

In 1715, by the firſt of George I. c. 12. the different taxes which had been mortgaged for paying the bank annuity, together with ſeveral others which by this act were likewiſe rendered perpetual, were accumulated into one common fund

called The Aggregate Fund, which was charged, not only with the payments of the bank annuity, but with ſeveral other annuities and burdens of different kinds. This fund was afterwards augmented by the third of George I. c. 8. and by the fifth of George I. c. 3. and the different duties which were then added to it were likewiſe rendered perpetual.

In 1717, by the third of George I. c. 7. ſeveral other taxes were rendered perpetual, and accumulated into another common fund, called The General Fund, for the payment of certain annuities, amounting in the whole to 724,849 *l.* 6 *s.* 10½ *d.*

In conſequence of thoſe different acts, the greater part of the taxes which before had been anticipated only for a ſhort term of years, were rendered perpetual as a fund for paying, not the capital, but the intereſt only, of the money which had been borrowed upon them by different ſucceſſive anticipations.

Had money never been raiſed but by anticipation, the courſe of a few years would have liberated the public revenue, without any other attention of government beſides that of not overloading the fund by charging it with more debt than it could pay within the limited term, and of not anticipating a ſecond time before the expiration of the firſt anticipation. But the greater part of European governments have been incapable of thoſe attentions. They have frequently overloaded the fund even upon the firſt anticipation; and when this happened not to be the caſe, they have generally taken care to overload it, by anticipating a

ſecond and a third time before the expiration of the firſt anticipation. The fund becoming in this manner altogether inſufficient for paying both principal and intereſt of the money borrowed upon it, it became neceſſary to charge it with the intereſt only, or a perpetual annuity equal to the intereſt, and ſuch unprovident anticipations neceſſarily gave birth to the more ruinous practice of perpetual funding. But though this practice neceſſarily puts off the liberation of the public revenue from a fixed period to one ſo indefinite that it is not very likely ever to arrive; yet as a greater ſum can in all caſes be raiſed by this new practice than by the old one of anticipations, the former, when men have once become familiar with it, has in the great exigencies of the ſtate been univerſally preferred to the latter. To relieve the preſent exigency is always the object which principally intereſts thoſe immediately concerned in the adminiſtration of public affairs. The future liberation of the public revenue, they leave to the care of poſterity.

During the reign of queen Anne, the market rate of intereſt had fallen from ſix to five per cent., and in the twelfth year of her reign five per cent. was declared to be the higheſt rate which could lawfully be taken for money borrowed upon private ſecurity. Soon after the greater part of the temporary taxes of Great Britain had been rendered perpetual, and diſtributed into the Aggregate, South Sea, and General Funds, the creditors of the public, like thoſe of private

perfons, were induced to accept of five per cent. for the intereft of their money, which occafioned a faving of one per cent. upon the capital of the greater part of the debts which had been thus funded for perpetuity, or of one-fixth of the greater part of the annuities which were paid out of the three great funds above mentioned. This faving left a confiderable furplus in the produce of the different taxes which had been accumulated into thofe funds, over and above what was neceffary for paying the annuities which were now charged upon them, and laid the foundation of what has fince been called the Sinking Fund. In 1717, it amounted to 323,434 *l.* 7 *s.* 7½ *d.* In 1727, the intereft of the greater part of the public debts was ftill further reduced to four per cent.; and in 1753 and 1757, to three and a half and three per cent.; which reductions ftill further augmented the finking fund.

A finking fund, though inftituted for the payment of old, facilitates very much the contracting of new debts. It is a fubfidiary fund always at hand to be mortgaged in aid of any other doubtful fund, upon which money is propofed to be raifed in any exigency of the ftate. Whether the finking fund of Great Britain has been more frequently applied to the one or to the other of thofe two purpofes, will fufficiently appear by and by.

Befides thofe two methods of borrowing, by anticipations and by perpetual funding, there are two other methods, which hold a fort of middle

place between them. Thefe are, that of borrowing upon annuities for terms of years, and that of borrowing upon annuities for lives.

During the reigns of king William and queen Anne, large fums were frequently borrowed upon annuities for terms of years, which were fometimes longer and fometimes fhorter. In 1693, an act was paffed for borrowing one million upon an annuity of fourteen per cent., or of 140,000 *l.* a year for fixteen years. In 1691, an act was paffed for borrowing a million upon annuities for lives, upon terms which in the prefent times would appear very advantageous. But the fubfcription was not filled up. In the following year the deficiency was made good by borrowing upon annuities for lives at fourteen per cent., or at little more than feven years purchafe. In 1695, the perfons who had purchafed thofe annuities were allowed to exchange them for others of ninety-fix years, upon paying into the Exchequer fixty-three pounds in the hundred; that is, the difference between fourteen per cent. for life, and fourteen per cent. for ninety-fix years, was fold for fixty-three pounds, or for four and a half years purchafe. Such was the fuppofed inftability of government, that even thefe terms procured few purchafers. In the reign of queen Anne, money was upon different occafions borrowed both upon annuities for lives, and upon annuities for terms of thirty-two, of eighty-nine, of ninety-eight, and of ninety-nine years. In 1719, the proprietors of the

the annuities for thirty-two years were induced to accept in lieu of them South Sea ſtock to the amount of eleven and a half years purchaſe of the annuities, together with an additional quantity of ſtock equal to the arrears which happened then to be due upon them. In 1720, the greater part of the other annuities for terms of years both long and ſhort were ſubſcribed into the ſame fund. The long annuities at that time amounted to 666,821 *l.* 8 *s.* $3\frac{1}{2}$ *d.* a year. On the 5th of January, 1775, the remainder of them, or what was not ſubſcribed at that time, amounted only to 136,453 *l.* 12 *s.* 8 *d.*

During the two wars which begun in 1739 and in 1755, little money was borrowed either upon annuities for terms of years, or upon thoſe for lives. An annuity for ninety-eight or ninety-nine years, however, is worth nearly as much money as a perpetuity, and ſhould, therefore, one might think, be a fund for borrowing nearly as much. But thoſe who, in order to make family ſettlements, and to provide for remote futurity, buy into the public ſtocks, would not care to purchaſe into one of which the value was continually diminiſhing; and ſuch people make a very conſiderable proportion both of the proprietors and purchaſers of ſtock. An annuity for a long term of years, therefore, though its intrinſic value may be very nearly the ſame with that of a perpetual annuity, will not find nearly the ſame number of purchaſers. The ſubſcribers to a new loan, who mean generally to ſell their ſubſcription as ſoon as poſſible,

prefer greatly a perpetual annuity redeemable by parliament, to an irredeemable annuity for a long term of years of only equal amount. The value of the former may be fuppofed always the fame, or very nearly the fame; and it makes, therefore, a more convenient transferable ftock than the latter.

During the two laft mentioned wars, annuities, either for terms of years or for lives, were feldom granted but as premiums to the fubfcribers to a new loan, over and above the redeemable annuity or intereft upon the credit of which the loan was fuppofed to be made. They were granted, not as the proper fund upon which the money was borrowed; but as an additional encouragement to the lender.

Annuities for lives have occafionally been granted in two different ways; either upon feparate lives, or upon lots of lives, which in French are called Tontines, from the name of their inventor. When annuities are granted upon feparate lives, the death of every individual annuitant difburdens the public revenue fo far as it was affected by his annuity. When annuities are granted upon tontines, the liberation of the public revenue does not commence till the death of all the annuitants comprehended in one lot, which may fometimes confift of twenty or thirty perfons, of whom the furvivors fucceed to the annuities of all thofe who die before them; the laft furvivor fucceeding to the annuities of the whole lot. Upon the fame revenue more money can always be raifed by tontines than

by annuities for ſeparate lives. An annuity, with a right of ſurvivorſhip, is really worth more than an equal annuity for a ſeparate life, and from the confidence which every man naturally has in his own good fortune, the principle upon which is founded the ſucceſs of all lotteries, ſuch an annuity generally ſells for ſomething more than it is worth. In countries where it is uſual for government to raiſe money by granting annuities, tontines are upon this account generally preferred to annuities for ſeparate lives. The expedient which will raiſe moſt money, is almoſt always preferred to that which is likely to bring about in the ſpeedieſt manner the liberation of the public revenue.

In France a much greater proportion of the public debts conſiſts in annuities for lives than in England. According to a memoir preſented by the parliament of Bourdeaux to the king in 1764, the whole public debt of France is eſtimated at twenty-four hundred millions of livres; of which the capital for which annuities for lives had been granted, is ſuppoſed to amount to three hundred millions, the eighth-part of the whole public debt. The annuities themſelves are computed to amount to thirty millions a year, the fourth part of one hundred and twenty millions, the ſuppoſed intereſt of that whole debt. Theſe eſtimations, I know very well, are not exact, but having been preſented by ſo very reſpectable a body as approximations to the truth, they may, I apprehend, be conſidered as ſuch. It is not the different degrees of anxiety

in the two governments of France and England for the liberation of the public revenue, which occaſions this difference in their reſpective modes of borrowing. It ariſes altogether from the different views and intereſts of the lenders.

In England, the ſeat of government being in the greateſt mercantile city in the world, the merchants are generally the people who advance money to government. By advancing it they do not mean to diminiſh, but, on the contrary, to increaſe their mercantile capitals; and unleſs they expected to ſell with ſome profit their ſhare in the ſubſcription for a new loan, they never would ſubſcribe. But if by advancing their money they were to purchaſe, inſtead of perpetual annuities, annuities for lives only, whether their own or thoſe of other people, they would not always be ſo likely to ſell them with a profit. Annuities upon their own lives they would always ſell with loſs; becauſe no man will give for an annuity upon the life of another, whoſe age and ſtate of health are nearly the ſame with his own, the ſame price which he would give for one upon his own. An annuity upon the life of a third perſon, indeed, is no doubt, of equal value to the buyer and the ſeller; but its real value begins to diminiſh from the moment it is granted, and continues to do ſo more and more as long as it ſubſiſts. It can never, therefore, make ſo convenient a transferable ſtock as a perpetual annuity, of which the real value may be ſuppoſed always the ſame, or very nearly the ſame.

In France, the ſeat of government not being in a great mercantile city, merchants do not make ſo great a proportion of the people who advance money to government. The people concerned in the finances, the farmers general, the receivers of the taxes which are not in farm, the court bankers, &c. make the greater part of thoſe who advance their money in all public exigencies. Such people are commonly men of mean birth, but of great wealth, and frequently of great pride. They are too proud to marry their equals, and women of quality diſdain to marry them. They frequently reſolve, therefore, to live bachelors, and having neither any families of their own, nor much regard for thoſe of their relations, whom they are not always very fond of acknowledging, they deſire only to live in ſplendor during their own time, and are not unwilling that their fortune ſhould end with themſelves. The number of rich people, beſides, who are either averſe to marry, or whoſe condition of life renders it either improper or inconvenient for them to do ſo, is much greater in France than in England. To ſuch people, who have little or no care for poſterity, nothing can be more convenient than to exchange their capital for a revenue, which is to laſt juſt as long, and no longer than they wiſh it to do.

The ordinary expenſe of the greater part of modern governments in time of peace being equal or nearly equal to their ordinary revenue, when war comes, they are both unwilling and unable to increaſe their revenue in proportion

to the increafe of their expenfe. They are unwilling, for fear of offending the people, who by fo great and fo fudden an increafe of taxes, would foon be difgufted with the war; and they are unable, from not well knowing what taxes would be fufficient to produce the revenue wanted. The facility of borrowing delivers them from the embarraffment which this fear and inability would otherwife occafion. By means of borrowing they are enabled, with a very moderate increafe of taxes, to raife, from year to year, money fufficient for carrying on the war, and by the practice of perpetual funding they are enabled, with the fmalleft poffible increafe of taxes, to raife annually the largeft poffible fum of money. In great empires the people who live in the capital, and in the provinces remote from the fcene of action, feel, many of them, fcarce any inconveniency from the war; but enjoy, at their eafe, the amufement of reading in the newfpapers the exploits of their own fleets and armies. To them this amufement compenfates the fmall difference between the taxes which they pay on account of the war, and thofe which they had been accuftomed to pay in time of peace. They are commonly diffatisfied with the return of peace, which puts an end to their amufement, and to a thoufand vifionary hopes of conqueft and national glory, from a longer continuance of the war.

The return of peace, indeed, feldom relieves them from the greater part of the taxes impofed during the war. Thefe are mortgaged for the

intereſt of the debt contracted in order to carry it on. If, over and above paying the intereſt of this debt, and defraying the ordinary expenſe of government, the old revenue, together with the new taxes, produce ſome ſurplus revenue, it may perhaps be converted into a ſinking fund for paying off the debt. But, in the firſt place, this ſinking fund, even ſuppoſing it ſhould be applied to no other purpoſe, is generally altogether inadequate for paying, in the courſe of any period during which it can reaſonably be expected that peace ſhould continue, the whole debt contracted during the war; and, in the ſecond place, this fund is almoſt always applied to other purpoſes.

The new taxes were impoſed for the ſole purpoſe of paying the intereſt of the money borrowed upon them. If they produce more, it is generally ſomething which was neither intended nor expected, and is therefore ſeldom very conſiderable. Sinking funds have generally ariſen, not ſo much from any ſurplus of the taxes which was over and above what was neceſſary for paying the intereſt or annuity originally charged upon them, as from a ſubſequent reduction of that intereſt. That of Holland in 1655, and that of the eccleſiaſtical ſtate in 1685, were both formed in this manner. Hence the uſual inſufficiency of ſuch funds.

During th moſt profound peace, various events occur which require an extraordinary expenſe, and government finds it always more convenient to defray this expenſe by miſapplying

the ſinking fund than by impoſing a new tax. Every new tax is immediately felt more or leſs by the people. It occaſions always ſome murmur, and meets with ſome oppoſition. The more taxes may have been multiplied, the higher they may have been raiſed upon every different ſubject of taxation; the more loudly the people complain of every new tax, the more difficult it becomes too either to find out new ſubjects of taxation, or to raiſe much higher the taxes already impoſed upon the old. A momentary ſuſpenſion of the payment of debt is not immediately felt by the people, and occaſions neither murmur nor complaint. To borrow of the ſinking fund is always an obvious and eaſy expedient for getting out of the preſent difficulty. The more the public debts may have been accumulated, the more neceſſary it may have become to ſtudy to reduce them, the more dangerous, the more ruinous it may be to miſapply any part of the ſinking fund; the leſs likely is the public debt to be reduced to any conſiderable degree, the more likely, the more certainly is the ſinking fund to be miſapplied towards defraying all the extraordinary expenſes which occur in time of peace. When a nation is already overburdened with taxes, nothing but the neceſſities of a new war, nothing but either the animoſity of national vengeance, or the anxiety for national ſecurity, can induce the people to ſubmit, with tolerable patience, to a new tax. Hence the uſual miſapplication of the ſinking fund.

In Great Britain, from the time that we had firſt recourſe to the ruinous expedient of perpetual funding, the reduction of the public debt in time of peace, has never borne any proportion to its accumulation in time of war. It was in the war which began in 1688, and was concluded by the treaty of Ryſwick in 1697, that the foundation of the preſent enormous debt of Great Britain was firſt laid.

On the 31ſt of December 1697, the public debts of Great Britain, funded and unfunded, amounted to 21,515,742 *l.* 13 *s.* 8½ *d.* A great part of thoſe debts had been contracted upon ſhort anticipations, and ſome part upon annuities for lives; ſo that before the 31ſt of December 1701, in leſs than four years, there had partly been paid off, and partly reverted to the public, the ſum of 5,121,041 *l.* 12 *s.* 0¾ *d.*; a greater reduction of the public debt than has ever ſince been brought about in ſo ſhort a period of time. The remaining debt, therefore, amounted only to 16,394,701 *l.* 1 *s.* 7¼ *d.*

In the war which began in 1702, and which was concluded by the treaty of Utrecht, the public debts were ſtill more accumulated. On the 31ſt of December 1714, they amounted to 53,681,076 *l.* 5 *s.* 6 1/12 *d.* The ſubſcription into the South Sea fund of the ſhort and long annuities increaſed the capital of the public debts, ſo that on the 31ſt of December 1722, it amounted to 55,282,978 *l.* 1 *s.* 3⅝ *d.* The reduction of the debt began in 1723, and went on ſo ſlowly that, on the 31ſt of December 1739,

during ſeventeen years of profound peace, the whole ſum paid off was no more than 8,328,354*l.* 17*s.* 11$\frac{3}{12}$*d.* the capital of the public debt at that time amounting to 46,954,623*l.* 3*s.* 4$\frac{7}{12}$*d.*

The Spaniſh war, which began in 1739, and the French war which ſoon followed it, occaſioned a further increaſe of the debt, which, on the 31ſt of December 1748, after the war had been concluded by the treaty of Aix la Chapelle, amounted to 78,293,313*l.* 1*s.* 10$\frac{3}{4}$*d.* The moſt profound peace of ſeventeen years continuance had taken no more than 8,328,354*l.* 17*s.* 11$\frac{3}{12}$*d.* from it. A war of leſs than nine years continuance added 31,338,689*l.* 18*s.* 6$\frac{1}{8}$*d.* to it*.

During the adminiſtration of Mr. Pelham, the intereſt of the public debt was reduced, or at leaſt meaſures were taken for reducing it, from four to three per cent.; the ſinking fund was increaſed, and ſome part of the public debt was paid off. In 1755, before the breaking out of the late war, the funded debt of Great Britain amounted to 72,289,673*l.* On the 5th of January 1763, at the concluſion of the peace, the funded debt amounted to 122,603,336*l.* 8*s.* 2$\frac{1}{4}$*d.* The unfunded debt has been ſtated at 13,927,589*l.* 2*s.* 2*d.*. But the expenſe occaſioned by the war did not end with the concluſion of the peace; ſo that though, on the 5th of January 1764, the funded debt was increaſed (partly by a new loan, and partly by funding a part of the unfunded debt) to 129,586,789*l.*

* See James Poſtlethwaite's hiſtory of the public revenue.

10*s.* 1$\frac{3}{4}$*d.* there ſtill remained (according to the very well informed author of the Conſiderations on the trade and finances of Great Britain) an unfunded debt which was brought to account in that and the following year, of 9,975,017*l.* 12*s.* 2$\frac{15}{44}$*d.* In 1764, therefore, the public debt of Great Britain, funded and unfunded together, amounted, according to this author, to 139,516,807*l.* 2*s.* 4*d.* The annuities for lives too, which had been granted as premiums to the ſubſcribers to the new loans in 1757, eſtimated at fourteen years purchaſe, were valued at 472,500*l.*; and the annuities for long terms of years, granted as premiums likewiſe, in 1761 and 1762, eſtimated at 27$\frac{1}{2}$ years purchaſe, were valued at 6,826,875*l.* During a peace of about ſeven years continuance, the prudent and truly patriot adminiſtration of M. Pelham, was not able to pay off an old debt of ſix millions. During a war of nearly the ſame continuance, a new debt of more than ſeventy-five millions was contracted.

On the 5th of January 1775, the funded debt of Great Britain amounted to 124,996,086*l.* 1*s.* 6$\frac{1}{4}$*d.* The unfunded, excluſive of a large civil liſt debt, to 4,150,236*l.* 3*s.* 11$\frac{7}{8}$*d.* Both together, to 129,146,322*l.* 5*s.* 6*d.* According to this account the whole debt paid off during eleven years profound peace amounted only to 10,415,474*l.* 16*s.* 9$\frac{7}{8}$*d.* Even this ſmall reduction of debt, however, has not been all made from the ſavings out of the ordinary revenue of the ſtate. Several extraneous ſums,

altogether independent of that ordinary revenue, have contributed towards it. Amongſt theſe we may reckon an additional ſhilling in the pound land-tax for three years; the two millions received from the Eaſt-India Company, as indemnification for their territorial acquiſitions; and the one hundred and ten thouſand pounds received from the bank for the renewal of their charter. To theſe muſt be added ſeveral other ſums which, as they aroſe out of the late war, ought perhaps to be conſidered as deductions from the expenſes of it. The principal are,

	l.	s.	d.
The produce of French prizes	690,449	18	9
Compoſition for French priſoners	670,000	0	0
What has been received from the ſale of the ceded iſlands	95,500	0	0
Total,	1,455,949,	18	9

If we add to this ſum the balance of the earl of Chatham's and Mr. Calcraft's accounts, and other army ſavings of the ſame kind, together with what has been received from the bank, the Eaſt-India company, and the additional ſhilling in the pound land-tax; the whole muſt be a good deal more than five millions. The debt, therefore, which ſince the peace has been paid out of the ſavings from the ordinary revenue of the ſtate, has not, one year with another, amounted to half a million a year. The ſinking fund has, no doubt, been conſiderably augmented ſince the peace, by the debt which has been paid off, by the reduction of the redeemable four

per cents. to three per cents, and by the annuities for lives which have fallen in, and, if peace were to continue, a million, perhaps, might now be annually ſpared out of it towards the diſcharge of the debt. Another million, accordingly, was paid in the courſe of laſt year; but, at the ſame time, a large civil liſt debt was left unpaid, and we are now involved in a new war which, in its progreſs, may prove as expenſive as any of our former wars *. The new debt which will probably be contracted before the end of the next campaign, may perhaps be nearly equal to all the old debt which has been paid off from the ſavings out of the ordinary revenue of the ſtate. It would be altogether chimerical, therefore, to expect that the public debt ſhould ever be compleatly diſcharged by any ſavings which are likely to be made from that ordinary revenue as it ſtands at preſent.

The public funds of the different indebted nations of Europe, particularly thoſe of England, have by one author been repreſented as the accumulation of a great capital ſuperadded to the other capital of the country, by means of which its trade is extended, its manufactures multiplied, and its lands cultivated and im-

* It has proved more expenſive than any of our former wars; and has involved us in an additional debt of more than one hundred millions. During a profound peace of eleven years, little more than ten millions of debt was paid; during a war of ſeven years, more than one hundred millions was contracted.

proved much beyond what they could have been by means of that other capital only. He does not confider that the capital which the firft creditors of the public advanced to government, was from the moment in which they advanced it, a certain portion of the annual produce turned away from ferving in the function of a capital, to ferve in that of a revenue; from maintaining productive laborers to maintain unproductive ones, and to be fpent and wafted, generally in the courfe of the year, without even the hope of any future reproduction. In return for the capital which they advanced they obtained, indeed, an annuity in the public funds in moft cafes of more than equal value. This annuity, no doubt, replaced to them their capital, and enabled them to carry on their trade and bufinefs to the fame or perhaps to a greater extent than before; that is, they were enabled either to borrow of other people a new capital upon the credit of this annuity, or by felling it to get from other people a new capital of their own, equal or fuperior to that which they had advanced to government. This new capital, however, which they in this manner either bought or borrowed of other people, muft have exifted in the country before, and muft have been employed, as all capitals are, in maintaining productive labor. When it came into the hands of thofe who had advanced their money to government, though it was in fome refpects a new capital to them, it was not fo to the country; but was only a capital withdrawn from certain

employments in order to be turned towards others. Though it replaced to them what they had advanced to government, it did not replace it to the country. Had they not advanced this capital to government, there would have been in the country two capitals, two portions of the annual produce, inftead of one, employed in maintaining productive labor.

When for defraying the expenfe of government a revenue is raifed within the year from the produce of free or unmortgaged taxes, a certain portion of the revenue of private people is only turned away from maintaining one fpecies of unproductive labor, towards maintaining another. Some part of what they pay in thofe taxes might no doubt have been accumulated into capital, and confequently employed in maintaining productive labor; but the greater part would probably have been fpent and confequently employed in maintaining unproductive labor. The public expenfe, however, when defrayed in this manner, no doubt hinders more or lefs the further accumulation of new capital; but it does not neceffarily occafion the deftruction of any actually exifting capital.

When the public expenfe is defrayed by funding, it is defrayed by the annual deftruction of fome capital which had before exifted in the country; by the perverfion of fome portion of the annual produce which had before been deftined for the maintenance of productive labor, towards that of unproductive labor. As in this cafe, however, the taxes are lighter than

they would have been, had a revenue fufficient for defraying the fame expenfe been raifed within the year; the private revenue of individuals is neceffarily lefs burdened, and confequently their ability to fave and accumulate fome part of that revenue into capital is a good deal lefs impaired. If the method of funding deftroy more old capital, it at the fame time hinders lefs the accumulation or acquifition of new capital, than that of defraying the public expenfe by a revenue raifed within the year. Under the fyftem of funding, the frugality and induftry of private people can more eafily repair the breaches which the wafte and extravagance of government may occafionally make in the general capital of the fociety.

It is only during the continuance of war, however, that the fyftem of funding has this advantage over the other fyftem. Were the expenfe of war to be defrayed always by a revenue raifed within the year, the taxes from which that extraordinary revenue was drawn would laft no longer than the war. The ability of private people to accumulate, though lefs during the war, would have been greater during the peace than under the fyftem of funding. War would not neceffarily have occafioned the deftruction of any old capitals, and peace would have occafioned the accumulation of many more new. Wars would in general be more fpeedily concluded, and lefs wantonly undertaken. The people feeling, during the continuance of the war, the compleat burden of it, would foon grow weary of it,

and

and government, in order to humor them, would not be under the neceſſity of carrying it on longer than it was neceſſary to do ſo. The foreſight of the heavy and unavoidable burdens of war would hinder the people from wantonly calling for it when there was no real or ſolid intereſt to fight for. The ſeaſons during which the ability of private people to accumulate was ſomewhat impaired, would occur more rarely, and be of ſhorter continuance. Thoſe on the contrary, during which that ability was in the higheſt vigor, would be of much longer duration than they can well be under the ſyſtem of funding.

When funding, beſides, has made a certain progreſs, the multiplication of taxes which it brings along with it ſometimes impairs as much the ability of private people to accumulate even in time of peace, as the other ſyſtem would in time of war. The peace revenue of Great Britain amounts at preſent to more than ten millions a year. If free and unmortgaged, it might be ſufficient, with proper management and without contracting a ſhilling of new debt, to carry on the moſt vigorous war. The private revenue of the inhabitants of Great Britain is at preſent as much encumbered in time of peace, their ability to accumulate is as much impaired as it would have been in the time of the moſt expenſive war, had the pernicious ſyſtem of funding never been adopted.

In the payment of the intereſt of the public debt, it has been ſaid, it is the right hand which pays the left. The money does not go out of

the country. It is only a part of the revenue of one ſet of the inhabitants which is transferred to another; and the nation is not a farthing the poorer. This apology is founded altogether in the ſophiſtry of the mercantile ſyſtem, and after the long examination which I have already beſtowed upon that ſyſtem, it may perhaps be unneceſſary to ſay any thing further about it. It ſuppoſes, beſides, that the whole public debt is owing to the inhabitants of the country, which happens not to be true; the Dutch, as well as ſeveral other foreign nations, having a very conſiderable ſhare in our public funds. But though the whole debt were owing to the inhabitants of the country, it would not upon that account be leſs pernicious.

Land and capital ſtock are the two original ſources of all revenue both private and public. Capital ſtock pays the wages of productive labor, whether employed in agriculture, manufactures, or commerce. The management of thoſe two original ſources of revenue belongs to two different ſets of people; the proprietors of land, and the owners or employers of capital ſtock.

The proprietor of land is intereſted for the ſake of his own revenue to keep his eſtate in as good condition as he can, by building and repairing his tenants houſes, by making and maintaining the neceſſary drains and encloſures, and all thoſe other expenſive improvements which it properly belongs to the landlord to make and maintain. But by different land-taxes the revenue of the landlord may be ſo much diminiſhed; and

by different duties upon the neceſſaries and conveniencies of life, that diminiſhed revenue may be rendered of ſo little real value, that he may find himſelf altogether unable to make or maintain thoſe expenſive improvements. When the landlord, however, ceaſes to do his part, it is altogether impoſſible that the tenant ſhould continue to do his. As the diſtreſs of the landlord increaſes, the agriculture of the country muſt neceſſarily decline.

When, by different taxes upon the neceſſaries and conveniencies of life, the owners and employers of capital ſtock find, that whatever revenue they derive from it, will not, in a particular country, purchaſe the ſame quantity of thoſe neceſſaries and conveniencies which an equal revenue would in almoſt any other, they will be diſpoſed to remove to ſome other. And when, in order to raiſe thoſe taxes, all or the greater part of merchants and manufacturers, that is, all or the greater part of the employers of great capitals, come to be continually expoſed to the mortifying and vexatious viſits of the tax-gatherers, this diſpoſition to remove will ſoon be changed into an actual removal. The induſtry of the country will neceſſarily fall with the removal of the capital which ſupported it, and the ruin of trade and manufactures will follow the declenſion of agriculture.

To transfer from the owners of thoſe two great ſources of revenue, land and capital ſtock, from the perſons immediately intereſted in the good

condition of every particular portion of land, and in the good management of every particular portion of capital ſtock, to another ſet of perſons (the creditors of the public, who have no ſuch particular intereſt), the greater part of the revenue ariſing from either, muſt, in the long-run, occaſion both the neglect of land, and the waſte or removal of capital ſtock. A creditor of the public has no doubt a general intereſt in the proſperity of the agriculture, manufactures, and commerce of the country; and conſequently in the good condition of its lands, and in the good management of its capital ſtock. Should there be any general failure or declenſion in any of theſe things, the produce of the different taxes might no longer be ſufficient to pay him the annuity or intereſt which is due to him. But a creditor of the public, conſidered merely as ſuch, has no intereſt in the good condition of any particular portion of land, or in the good management of any particular portion of capital ſtock. As a creditor of the public he has no knowledge of any ſuch particular portion. He has no inſpection of it. He can have no care about it. Its ruin may in ſome caſes be unknown to him, and cannot directly affect him.

The practice of funding has gradually enfeebled every ſtate which has adopted it. The Italian republics ſeem to have begun it. Genoa and Venice, the only two remaining which can pretend to an independent exiſtence, have both been enfeebled by it. Spain ſeems to have learned the practice from the Italian republics,

and (its taxes being probably lefs judicious than theirs) it has, in proportion to its natural ftrength, been ftill more enfeebled. The debts of Spain are of very old ftanding. It was deeply in debt before the end of the fixteenth century, about a hundred years before England owed a fhilling. France, notwithftanding all its natural refources, languifhes under an oppreffive load of the fame kind. The republic of the United Provinces is as much enfeebled by its debts as either Genoa or Venice. Is it likely that in Great Britain alone a practice, which has brought either weaknefs or defolation into every other country, fhould prove altogether innocent?

The fyftem of taxation eftablifhed in thofe different countries, it may be faid, is inferior to that of England. I believe it is fo. But it ought to be remembered, that when the wifeft government has exhaufted all the proper fubjects of taxation, it muft, in cafes of urgent neceffity, have recourfe to improper ones. The wife republic of Holland has upon fome occafions been obliged to have recourfe to taxes as inconvenient as the greater part of thofe of Spain. Another war begun before any confiderable liberation of the public revenue had been brought about, and growing in its progrefs as expenfive as the laft war, may, from irrefiftible neceffity, render the Britifh fyftem of taxation as oppreffive as that of Holland, or even as that of Spain. To the honor of our prefent fyftem of taxation, indeed, it has hitherto given fo little embarraffment to induftry, that, during the courfe even of the moft expenfive

wars, the frugality and good conduct of individuals ſeem to have been able, by ſaving and accumulation, to repair all the breaches which the waſte and extravagance of government had made in the general capital of the ſociety. At the concluſion of the late war, the moſt expenſive that Great Britain ever waged, her agriculture was as flouriſhing, her manufacturers as numerous and as fully employed, and her commerce as extenſive, as they had ever been before. The capital, therefore, which ſupported all thoſe different branches of induſtry, muſt have been equal to what it had ever been before. Since the peace, agriculture has been ſtill further improved, the rents of houſes have riſen in every town and village of the country, a proof of the increaſing wealth and revenue of the people; and the annual amount of the greater part of the old taxes, of the principal branches of the exciſe and cuſtoms in particular, has been continually increaſing, an equally clear proof of an increaſing conſumption, and conſequently of an increaſing produce, which could alone ſupport that conſumption. Great Britain ſeems to ſupport with eaſe, a burden which, half a century ago, nobody believed her capable of ſupporting. Let us not, however, upon this account raſhly conclude that ſhe is capable of ſupporting any burden; nor even be too confident that ſhe could ſupport, without great diſtreſs, a burden a little greater than what has already been laid upon her.

When national debts have once been accumulated to a certain degree, there is ſcarce, I believe, a ſingle inſtance of their having been fairly and compleatly paid. The liberation of the public revenue, if it has ever been brought about at all, has always been brought about by a bankruptcy; ſometimes by an avowed one, but always by a real one, though frequently by a pretended payment.

The raiſing of the denomination of the coin has been the moſt uſual expedient by which a real public bankruptcy has been diſguiſed under the appearance of a pretended payment. If a ſixpence, for example, ſhould either by act of parliament or royal proclamation be raiſed to the denomination of a ſhilling, and twenty ſixpences to that of a pound ſterling; the perſon who under the old denomination had borrowed twenty ſhillings, or near four ounces of ſilver, would, under the new, pay with twenty ſixpences, or with ſomething leſs than two ounces. A national debt of about a hundred and twenty-eight millions, nearly the capital of the funded and unfunded debt of Great Britain, might in this manner be paid with about ſixty-four millions of our preſent money. It would indeed be a pretended payment only, and the creditors of the public would really be defrauded of ten ſhillings in the pound of what was due to them. The calamity too would extend much further than to the creditors of the public, and thoſe of every private perſon would ſuffer a proportionable loſs; and this without any advantage, but

in moſt caſes with a great additional loſs, to the creditors of the public. If the creditors of the public indeed were generally much in debt to other people, they might in ſome meaſure compenſate their loſs by paying their creditors in the ſame coin in which the public had paid them. But in moſt countries the creditors of the public are, the greater part of them, wealthy people, who ſtand more in the relation of creditors than in that of debtors towards the reſt of their fellow-citizens. A pretended payment of this kind, therefore, inſtead of alleviating, aggravates in moſt caſes the loſs of the creditors of the public; and without any advantage to the public, extends the calamity to a great number of other innocent people. It occaſions a general and moſt pernicious ſubverſion of the fortunes of private people; enriching in moſt caſes the idle and profuſe debtor at the expenſe of the induſtrious and frugal creditor, and tranſporting a great part of the national capital from the hands which were likely to increaſe and improve it, to thoſe which are likely to diſſipate and deſtroy it. When it becomes neceſſary for a ſtate to declare itſelf bankrupt, in the ſame manner as when it becomes neceſſary for an individual to do ſo, a fair, open, and avowed bankruptcy is always the meaſure which is both leaſt diſhonorable to the debtor, and leaſt hurtful to the creditor. The honor of a ſtate is ſurely very poorly provided for, when, in order to cover the diſgrace of a real bankruptcy, it has recourſe to a juggling trick of this kind, ſo eaſily ſeen

through, and at the ſame time ſo extremely pernicious.

Almoſt all ſtates, however, ancient as well as modern, when reduced to this neceſſity, have, upon ſome occaſions, played this very juggling trick. The Romans, at the end of the firſt Punic war, reduced the As, the coin or denomination by which they computed the value of all their other coins, from containing twelve ounces of copper to contain only two ounces; that is, they raiſed two ounces of copper to a denomination which had always before expreſſed the value of twelve ounces. The republic was, in this manner, enabled to pay the great debts which it had contracted with the ſixth part of what it really owed. So ſudden and ſo great a bankruptcy, we ſhould in the preſent times be apt to imagine, muſt have occaſioned a very violent popular clamor. It does not appear to have occaſioned any. The law which enacted it was, like all other laws relating to the coin, introduced and carried through the aſſembly of the people by a tribune, and was probably a very popular law. In Rome, as in all the other ancient republics, the poor people were conſtantly in debt to the rich and the great, who, in order to ſecure their votes at the annual elections, uſed to lend them money at exorbitant intereſt, which, being never paid, ſoon accumulated into a ſum too great either for the debtor to pay, or for any body elſe to pay for him. The debtor, for fear of a very ſevere execution, was obliged, without any further

gratuity, to vote for the candidate whom the creditor recommended. In ſpite of all the laws againſt bribery and corruption, the bounty of the candidates, together with the occaſional diſtributions of corn, which were ordered by the ſenate, were the principal funds from which, during the latter times of the Roman republic, the poorer citizens derived their ſubſiſtence. To deliver themſelves from this ſubjection to their creditors, the poorer citizens were continually calling out either for an entire abolition of debts, or for what they called New tables; that is, for a law which ſhould entitle them to a compleat acquittance, upon paying only a certain proportion of their accumulated debts. The law which reduced the coin of all denominations to a ſixth part of its former value, as it enabled them to pay their debts with a ſixth part of what they really owed, was equivalent to the moſt advantageous new tables. In order to ſatisfy the people, the rich and the great were, upon ſeveral different occaſions, obliged to conſent to laws both for aboliſhing debts, and for introducing new tables; and they probably were induced to conſent to this law, partly for the ſame reaſon, and partly that, by liberating the public revenue, they might reſtore vigor to that government of which they themſelves had the principal direction. An operation of this kind would at once reduce a debt of a hundred and twenty-eight millions to twenty-one millions three hundred and thirty-three thouſand three hundred and thirty-three pounds ſix ſhillings and eight-

pence. In the courfe of the fecond Punic war the As was ftill further reduced, firft, from two ounces of copper to one ounce; and afterwards from one ounce to half an ounce; that is, to the twenty-fourth part of its original value. By combining the three Roman operations into one, a debt of a hundred and twenty-eight millions of our prefent money, might in this manner be reduced all at once to a debt of five millions three hundred and thirty-three thoufand three hundred and thirty-three pounds fix fhillings and eight-pence. Even the enormous debt of Great Britain might in this manner foon be paid.

By means of fuch expedients the coin of, I believe, all nations has been gradually reduced more and more below its original value, and the fame nominal fum has been gradually brought to contain a fmaller and a fmaller quantity of filver.

Nations have fometimes, for the fame purpofe, adulterated the ftandard of their coin; that is, have mixed a greater quantity of alloy in it. If in the pound weight of our filver coin, for example, inftead of eighteen penny-weight, according to the prefent ftandard, there was mixed eight ounces of alloy; a pound fterling, or twenty fhillings of fuch coin, would be worth little more than fix fhillings and eight-pence of our prefent money. The quantity of filver contained in fix fhillings and eight-pence of our prefent money, would thus be raifed very nearly to the denomination of a pound fterling. The adulteration of the ftandard has exactly the fame effect with what the French call an aug-

mentation, or a direct raifing of the denomination of the coin.

An augmentation, or a direct raifing of the denomination of the coin, always is, and from its nature muft be, an open and avowed operation. By means of it pieces of a fmaller weight and bulk are called by the fame name which had before been given to pieces of a greater weight and bulk. The adulteration of the ftandard, on the contrary, has generally been a concealed operation. By means of it pieces were iffued from the mint of the fame denominations, and, as nearly as could be contrived, of the fame weight, bulk, and appearance, with pieces which had been current before of much greater value. When king John of France *, in order to pay his debts, adulterated his coin, all the officers of his mint were fworn to fecrecy. Both operations are unjuft. But a fimple augmentation is an injuftice of open violence; whereas an adulteration is an injuftice of treacherous fraud. This latter operation, therefore, as foon as it has been difcovered, and it could never be concealed very long, has always excited much greater indignation than the former. The coin after any confiderable augmentation has very feldom been brought back to its former weight; but after the greateft adulterations it has almoft always been brought back to its former finenefs. It has fcarce ever happened that the

* See du Cange Gloffary, voce Moneta; the Benedictine edition.

fury and indignation of the people could otherwise be appeased.

In the end of the reign of Henry VIII. and in the beginning of that of Edward VI. the English coin was not only raised in its denomination, but adulterated in its standard. The like frauds were practised in Scotland during the minority of James VI. They have occasionally been practised in most other countries.

That the public revenue of Great Britain can never be compleatly liberated, or even that any considerable progress can ever be made towards that liberation, while the surplus of that revenue, or what is over and above defraying the annual expense of the peace establishment, is so very small, it seems altogether in vain to expect. That liberation, it is evident, can never be brought about without either some very considerable augmentation of the public revenue, or some equally considerable reduction of the public expense.

A more equal land tax, a more equal tax upon the rent of houses, and such alterations in the present system of customs and excise as those which have been mentioned in the foregoing chapter, might, perhaps, without increasing the burden of the greater part of the people, but only distributing the weight of it more equally upon the whole, produce a considerable augmentation of revenue. The most sanguine projector, however, could scarce flatter himself that any augmentation of this kind would be such as could give any reasonable hopes, either of liberating the public revenue

altogether, or even of making ſuch progreſs towards that liberation in time of peace, as either to prevent or to compenſate the further accumulation of the public debt in the next war.

By extending the Britiſh ſyſtem of taxation to all the different provinces of the empire inhabited by people of either Britiſh or European extraction, a much greater augmentation of revenue might be expected. This, however, could ſcarce, perhaps, be done, conſiſtently with the principles of the Britiſh conſtitution, without admitting into the Britiſh parliament, or if you will into the ſtates-general of the Britiſh Empire, a fair and equal repreſentation of all thoſe different provinces, that of each province bearing the ſame proportion to the produce of its taxes, as the repreſentation of Great Britain might bear to the produce of the taxes levied upon Great Britain. The private intereſt of many powerful individuals, the confirmed prejudices of great bodies of people ſeem, indeed, at preſent, to oppoſe to ſo great a change ſuch obſtacles as it may be very difficult, perhaps altogether impoſſible, to ſurmount. Without, however, pretending to determine whether ſuch a union be practicable or impracticable, it may not, perhaps, be improper, in a ſpeculative work of this kind, to conſider how far the Britiſh ſyſtem of taxation might be applicable to all the different provinces of the empire; what revenue might be expected from it if ſo applied, and in what manner a general union of this kind might be likely to affect the happineſs and proſperity of the different provinces

comprehended within it. Such a ſpeculation can at worſt be regarded but as a new Utopia, leſs amuſing certainly, but not more uſeleſs and chimerical than the old one.

The land-tax, the ſtamp-duties, and the different duties of cuſtoms and exciſe, conſtitute the four principal branches of the Britiſh taxes.

Ireland is certainly as able, and our American and Weſt Indian plantations more able to pay a land-tax than Great Britain. Where the landlord is ſubject neither to tithe nor poors rate, he muſt certainly be more able to pay ſuch a tax, than where he is ſubject to both thoſe other burdens. The tithe, where there is no modus, and where it is levied in kind, diminiſhes more what would otherwiſe be the rent of the landlord, than a land-tax which really amounted to five ſhillings in the pound. Such a tithe will be found in moſt caſes to amount to more than a fourth part of the real rent of the land, or of what remains after replacing compleatly the capital of the farmer, together with his reaſonable profit. If all moduſes and all impropriations were taken away, the compleat church tithe of Great Britain and Ireland could not well be eſtimated at leſs than ſix or ſeven millions. If there was no tithe either in Great Britain or Ireland, the landlords could afford to pay ſix or ſeven millions additional land-tax, without being more burdened than a very great part of them are at preſent. America pays no tithe, and could therefore very well afford to pay a land-tax. The lands in America and the Weſt Indies, indeed, are

in general not tenanted nor leafed out to farmers, they could not therefore be affeffed according to any rent-roll. But neither were the lands of Great Britain, in the 4th of William and Mary, affeffed according to any rent-roll, but according to a very loofe and inaccurate eftimation. The lands in America might be affeffed either in the fame manner, or according to an equitable valuation in confequence of an accurate furvey, like that which was lately made in the Milanefe, and in the dominions of Auftria, Pruffia, and Sardinia.

Stamp-duties, it is evident, might be levied without any variation in all countries where the forms of law procefs, and the deeds by which property both real and perfonal is transferred, are the fame or nearly the fame.

The extenfion of the cuftom-houfe laws of Great Britain to Ireland and the plantations, provided it was accompanied, as in juftice it ought to be, with an extenfion of the freedom of trade, would be in the higheft degree advantageous to both. All the invidious reftraints which at prefent opprefs the trade of Ireland, the diftinction between the enumerated and non-enumerated commodities of America, would be entirely at an end. The countries north of Cape Finifterre would be as open to every part of the produce of America, as thofe fouth of that Cape are to fome parts of that produce at prefent. The trade between all the different parts of the Britifh empire would, in confequence of this uniformity in the cuftom-houfe laws, be as free as the coafting trade of Great Britain it as prefent. The Britifh

empire

empire would thus afford within itſelf an immenſe internal market for every part of the produce of all its different provinces. So great an extenſion of market would ſoon compenſate both to Ireland and the plantations, all that they could ſuffer from the increaſe of the duties of cuſtoms.

The exciſe is the only part of the Britiſh ſyſtem of taxation, which would require to be varied in any reſpect according as it was applied to the different provinces of the empire. It might be applied to Ireland without any variation; the produce and conſumption of that kingdom being exactly of the ſame nature with thoſe of Great Britain. In its application to America and the Weſt-Indies, of which the produce and conſumption are ſo very different from thoſe of Great Britain, ſome modification might be neceſſary, in the ſame manner as in its application to the cider and beer counties of England.

A fermented liquor, for example, which is called beer, but which, as it is made of melaſſes, bears very little reſemblance to our beer, makes a conſiderable part of the common drink of the people in America. This liquor, as it can be kept only for a few days, cannot, like our beer, be prepared and ſtored up for ſale in great breweries; but every private family muſt brew it for their own uſe, in the ſame manner as they cook their victuals. But to ſubject every private family to the odious viſits and examination of the tax-gatherers, in the ſame manner as we ſubject the keepers of alehouſes and the brewers for public ſale, would be altogether inconſiſtent

with liberty. If for the ſake of equality it was thought neceſſary to lay a tax upon this liquor, it might be taxed by taxing the material of which it is made, either at the place of manufacture, or, if the circumſtances of the trade rendered ſuch an exciſe improper, by laying a duty upon its importation into the colony in which it was to be conſumed. Beſides the duty of one penny a gallon impoſed by the Britiſh parliament upon the importation of melaſſes into America; there is a provincial tax of this kind upon their importation into Maſſachuſett's Bay, in ſhips belonging to any other colony, of eight-pence the hogſhead; and another upon their importation, from the northern colonies, into South Carolina, of five-pence the gallon. Or if neither of theſe methods was found convenient, each family might compound for its conſumption of this liquor, either according to the number of perſons of which it conſiſted, in the ſame manner as private families compound for the malt-tax in England; or according to the different ages and ſexes of thoſe perſons, in the ſame manner as ſeveral different taxes are levied in Holland; or nearly as Sir Matthew Decker propoſes that all taxes upon conſumable commodities ſhould be levied in England. This mode of taxation, it has already been obſerved, when applied to objects of a ſpeedy conſumption, is not a very convenient one. It might be adopted, however, in caſes where no better could be done.

Sugar, rum, and tobacco, are commodities which are no where neceſſaries of life, which are

become objects of almoſt univerſal conſumption, and which are therefore extremely proper ſubjects of taxation. If a union with the colonies were to take place, thoſe commodities might be taxed either before they go out of the hand of the manufacturer or grower; or if this mode of taxation did not ſuit the circumſtances of thoſe perſons, they might be depoſited in public warehouſes both at the place of manufacture, and at all the different ports of the empire to which they might afterwards be tranſported, to remain there, under the joint cuſtody of the owner and the revenue officer, till ſuch time as they ſhould be delivered out either to the conſumer, to the merchant retailer for home-conſumption, or to the merchant exporter, the tax not to be advanced till ſuch delivery. When delivered out for exportation, to go duty free; upon proper ſecurity being given that they ſhould really be exported out of the empire. Theſe are perhaps the principal commodities with regard to which a union with the colonies might require ſome conſiderable change in the preſent ſyſtem of Britiſh taxation.

What might be the amount of the revenue which this ſyſtem of taxation extended to all the different provinces of the empire might produce, it muſt, no doubt, be altogether impoſſible to aſcertain with tolerable exactneſs. By means of this ſyſtem there is annually levied in Great Britain, upon leſs than eight millions of people, more than ten millions of revenue. Ireland contains more than two millions of people, and

according to the accounts laid before the congrefs, the twelve affociated provinces of America contain more than three. Thofe accounts, however, may have been exaggerated, in order, perhaps, either to encourage their own people, or to intimidate thofe of this country, and we fhall fuppofe therefore that our North-American and Weft-Indian colonies taken together contain no more than three millions; or that the whole Britifh empire, in Europe and America, contains no more than thirteen millions of inhabitants. If upon lefs than eight millions of inhabitants this fyftem of taxation raifes a revenue of more than ten millions fterling; it ought upon thirteen millions of inhabitants to raife a revenue of more than fixteen millions two hundred and fifty thoufand pounds fterling. From this revenue, fuppofing that this fyftem could produce it, muft be deducted, the revenue ufually raifed in Ireland and the plantations for defraying the expenfe of their refpective civil governments. The expenfe of the civil and military eftablifhment of Ireland, together with the intereft of the public debt, amounts, at a medium of the two years which ended March 1775, to fomething lefs than feven hundred and fifty thoufand pounds a year. By a very exact account of the revenue of the principal colonies of America and the Weft-Indies, it amounted, before the commencement of the prefent difturbances, to a hundred and forty-one thoufand eight hundred pounds. In this account, however, the revenue of Maryland, of North-Carolina and of all our late acquifitions both upon

the continent and in the iſlands, is omitted, which may perhaps make a difference of thirty or forty thouſand pounds. For the ſake of even numbers therefore, let us ſuppoſe that the revenue neceſſary for ſupporting the civil government of Ireland and the plantations, may amount to a million. There would remain conſequently a revenue of fifteen millions two hundred and fifty thouſand pounds, to be applied towards defraying the general expenſe of the empire, and towards paying the public debt. But if from the preſent revenue of Great Britain a million could in peaceable times be ſpared towards the payment of that debt, ſix millions two hundred and fifty thouſand pounds could very well be ſpared from this improved revenue. This great ſinking fund too might be augmented every year by the intereſt of the debt which had been diſcharged the year before, and might in this manner increaſe ſo very rapidly, as to be ſufficient in a few years to diſcharge the whole debt, and thus to reſtore compleatly the at preſent debilitated and languiſhing vigor of the empire. In the mean time the people might be relieved from ſome of the moſt burdenſome taxes; from thoſe which are impoſed either upon the neceſſaries of life, or upon the materials of manufacture. The laboring poor would thus be enabled to live better, to work cheaper, and to ſend their goods cheaper to market. The cheapneſs of their goods would increaſe the demand for them, and conſequently for the labor of

thofe who produced them. This increafe in the demand for labor, would both increafe the numbers and improve the circumftances of the laboring poor. Their confumption would increafe, and together with it the revenue arifing from all thofe articles of their confumption upon which the taxes might be allowed to remain.

The revenue arifing from this fyftem of taxation, however, might not immediately increafe in proportion to the number of people who were fubjected to it. Great indulgence would for fome time be due to thofe provinces of the empire which were thus fubjected to burdens to which they had not before been accuftomed, and even when the fame taxes came to be levied every where as exactly as poffible, they would not every where produce a revenue proportioned to the numbers of the people. In a poor country the confumption of the principal commodities fubject to the duties of cuftoms and excife is very fmall; and in a thinly inhabited country the opportunities of fmuggling are very great. The confumption of malt liquors among the inferior ranks of people in Scotland is very fmall, and the excife upon malt, beer, and ale, produces lefs there than in England in proportion to the numbers of the people and the rate of the duties, which upon malt is different on account of a fuppofed difference of quality. In thefe particular branches of the excife, there is not, I apprehend, much more fmuggling in the one country than in the other. The duties upon the diftillery, and the greater part of the duties of cuftoms, in

proportion to the numbers of people in the refpective countries, produce lefs in Scotland than in England, not only on account of the fmaller confumption of the taxed commodities, but of the much greater facility of fmuggling. In Ireland, the inferior ranks of people are ftill poorer than in Scotland, and many parts of the country are almoft as thinly inhabited. In Ireland, therefore, the confumption of the taxed commodities might, in proportion to the number of the people, be ftill lefs than in Scotland, and the facility of fmuggling nearly the fame. In America and the Weft-Indies the white people even of the loweft rank are in much better circumftances than thofe of the fame rank in England, and their confumption of all the luxuries in which they ufually indulge themfelves is probably much greater. The blacks, indeed, who make the greater part of the inhabitants both of the fouthern colonies upon the continent and of the Weft-India iflands, as they are in a ftate of flavery, are, no doubt, in a worfe condition than the pooreft people either in Scotland or Ireland. We muft not, however, upon that account, imagine that they are worfe fed, or that their confumption of articles which might be fubjected to moderate duties, is lefs than that even of the lower ranks of people in England. In order that they may work well, it is the intereft of their mafter that they fhould be fed well and kept in good heart, in the fame manner as it is his intereft that his working cattle fhould be fo. The blacks accordingly have almoft every where their

allowance of rum and of melaſſes or ſpruce beer, in the ſame manner as the white ſervants; and this allowance would not probably be withdrawn, though thoſe articles ſhould be ſubjected to moderate duties. The conſumption of the taxed commodities, therefore, in proportion to the number of inhabitants, would probably be as great in America and the Weſt-Indies as in any part of the Britiſh empire. The opportunities of ſmuggling indeed, would be much greater; America, in proportion to the extent of the country, being much more thinly inhabited than either Scotland or Ireland. If the revenue, however, which is at preſent raiſed by the different duties upon malt and malt liquors, were to be levied by a ſingle duty upon malt, the opportunity of ſmuggling in the moſt important branch of the exciſe would be almoſt entirely taken away: And if the duties of cuſtoms, inſtead of being impoſed upon almoſt all the different articles of importation, were confined to a few of the moſt general uſe and conſumption, and if the levying of thoſe duties were ſubjected to the exciſe laws, the opportunity of ſmuggling, though not ſo entirely taken away, would be very much diminiſhed. In conſequence of thoſe two, apparently, very ſimple and eaſy alterations, the duties of cuſtoms and exciſe might probably produce a revenue as great in proportion to the conſumption of the moſt thinly inhabited province, as they do at preſent in proportion to that of the moſt populous.

The Americans, it has been ſaid, indeed, have no gold or ſilver money; the interior commerce of the country being carried on by a paper currency, and the gold and ſilver which occaſionally come among them being all ſent to great Britain in return for the commodities which they receive from us. But without gold and ſilver, it is added, there is no poſſibility of paying taxes. We already got all the gold and ſilver which they have. How is it poſſible to draw from them what they have not?

The preſent ſcarcity of gold and ſilver money in America is not the effect of the poverty of that country, or of the inability of the people there to purchaſe thoſe metals. In a country where the wages of labor are ſo much higher, and the price of proviſions ſo much lower than in England, the greater part of the people muſt ſurely have wherewithal to purchaſe a greater quantity, if it were either neceſſary or convenient for them to do ſo. The ſcarcity of thoſe metals therefore, muſt be the effect of choice, and not of neceſſity.

It is for tranſacting either domeſtic or foreign buſineſs, that gold and ſilver money is either neceſſary or convenient.

The domeſtic buſineſs of every country, it has been ſhown in the ſecond book of this Inquiry, may, at leaſt in peaceable times, be tranſacted by means of a paper currency, with nearly the ſame degree of conveniency as by gold and ſilver money. It is convenient for the Americans, who could always employ with

profit in the improvement of their lands a greater ſtock than they can eaſily get, to ſave as much as poſſible the expenſe of ſo coſtly an inſtrument of commerce as gold and ſilver, and rather to employ that part of their ſurplus produce which would be neceſſary for purchaſing thoſe metals, in purchaſing the inſtruments of trade, the materials of clothing, ſeveral parts of houſehold furniture, and the iron-work neceſſary for building and extending their ſettlements and plantations, in purchaſing, not dead ſtock, but active and productive ſtock. The colony governments find it for their intereſt to ſupply the people with ſuch a quantity of paper-money as is fully ſufficient and generally more than ſufficient for tranſacting their domeſtic buſineſs. Some of thoſe governments, that of Pennſylvania particularly, derive a revenue from lending this paper-money to their ſubjects at an intereſt of ſo much per cent. Others, like that of Maſſachuſett's Bay, advance upon extraordinary emergencies a paper-money of this kind for defraying the public expenſe, and afterwards, when it ſuits the conveniency of the colony, redeem it at the depreciated value to which it gradually falls. In 1747 * that colony paid, in this manner, the greater part of its public debts, with the tenth part of the money for which its bills had been granted. It ſuits the conveniency of the planters to ſave the expenſe of employing gold and ſilver money in their domeſtic tranſactions, and it ſuits

* See Hutchinſon's Hiſt. of Maſſachuſett's Bay, Vol. II. page 436, & ſeq.

the conveniency of the colony governments to ſupply them with a medium, which, though attended with ſome very conſiderable diſadvantages, enables them to ſave that expenſe. The redundancy of paper-money neceſſarily baniſhes gold and ſilver from the domeſtic tranſactions of the colonies, for the ſame reaſon that it has baniſhed thoſe metals from the greater part of the domeſtic tranſactions in Scotland; and in both countries it is not the poverty, but the enterprizing and projecting ſpirit of the people, their deſire of employing all the ſtock which they can get as active and productive ſtock, which has occaſioned this redundancy of paper-money.

In the exterior commerce which the different colonies carry on with Great Britain, gold and ſilver are more or leſs employed, exactly in proportion as they are more or leſs neceſſary. Where thoſe metals are not neceſſary, they ſeldom appear. Where they are neceſſary, they are generally found.

In the commerce between Great Britain and the tobacco colonies, the Britiſh goods are generally advanced to the coloniſts at a pretty long credit, and are afterwards paid for in tobacco, rated at a certain price. It is more convenient for the coloniſts to pay in tobacco than in gold and ſilver. It would be more convenient for any merchant to pay for the goods which his correſpondents had ſold to him in ſome other ſort of goods which he might happen to deal in, than in money. Such a merchant would have no oc-

cafion to keep any part of his ftock by him unemployed, and in ready money, for anfwering occafional demands. He could have, at all times, a larger quantity of goods in his fhop or warehoufe, and he could deal to a greater extent. But it feldom happens to be convenient for all the correfpondents, of a merchant to receive payment for the goods which they fell to him, in goods of fome other kind which he happens to deal in. The Britifh merchants who trade to Virginia and Maryland happen to be a particular fet of correfpondents, to whom it is more convenient to receive payment for the goods which they fell to thofe colonies in tobacco than in gold and filver. They expect to make a profit by the fale of the tobacco. They could make none by that of the gold and filver. Gold and filver, therefore, very feldom appear in the commerce between Great Britain and the tobacco colonies. Maryland and Virginia have as little occafion for thofe metals in their foreign as in their domeftic commerce. They are faid, accordingly, to have lefs gold and filver money than any other colonies in America. They are reckoned, however, as thriving, and confequently as rich, as any of their neighbours.

In the northern colonies, Pennfylvania, New York, New Jerfey; the four governments of New England, &c. the value of their own produce which they export to Great Britain is not equal to that of the manufactures which they import for their own ufe, and for that of fome of the other colonies to which they are the

carriers. A balance, therefore, muſt be paid to the mother country in gold and ſilver, and this balance they generally find.

In the ſugar colonies the value of the produce annually exported to Great Britain is much greater than that of all the goods imported from thence. If the ſugar and rum annually ſent to the mother country were paid for in thoſe colonies, Great Britain would be obliged to ſend out every year a very large balance in money, and the trade to the Weſt Indies would, by a certain ſpecies of politicians, be conſidered as extremely diſadvantageous. But it ſo happens, that many of the principal proprietors of the ſugar plantations reſide in Great Britain. Their rents are remitted to them in ſugar and rum, the produce of their eſtates. The ſugar and rum which the Weſt India merchants purchaſe in thoſe colonies upon their own account, are not equal in value to the goods which they annually ſell there. A balance therefore muſt neceſſarily be paid to them in gold and ſilver, and this balance too is generally found.

The difficulty and irregularity of payment from the different colonies to Great Britain, have not been at all in proportion to the greatneſs or ſmallneſs of the balances which were reſpectively due from them. Payments have in general been more regular from the northern than from the tobacco colonies, though the former have generally paid a pretty large balance in money, while the latter have either paid no balance, or a much

ſmaller one. The difficulty of getting payment from our different ſugar colonies has been greater or leſs in proportion, not ſo much to the extent of the balances reſpectively due from them, as to the quantity of uncultivated land which they contained; that is, to the greater or ſmaller temptation which the planters have been under of over-trading, or of undertaking the ſettlement and plantation of greater quantities of waſte land than ſuited the extent of their capitals. The returns from the great iſland of Jamaica, where there is ſtill much uncultivated land, have, upon this account, been in general more irregular and uncertain, than thoſe from the ſmaller iſlands of Barbadoes, Antigua, and St. Chriſtophers, which have for theſe many years been compleatly cultivated, and have, upon that account, afforded leſs field for the ſpeculations of the planter. The new acquiſitions of Grenada, Tobago, St. Vincents, and Dominica, have opened a new field for ſpeculations of this kind; and the returns from thoſe iſlands have of late been as irregular and uncertain as thoſe from the great iſland of Jamaica.

It is not, therefore, the poverty of the colonies which occaſions, in the greater part of them, the preſent ſcarcity of gold and ſilver money. Their great demand for active and productive ſtock makes it convenient for them to have as little dead ſtock as poſſible; and diſpoſes them upon that account to content themſelves with a cheaper, though leſs commodious inſtrument of commerce than gold and ſilver. They are

thereby enabled to convert the value of that gold and ſilver into the inſtruments of trade, into the materials of clothing, into houſehold furniture, and into the iron work neceſſary for building and extending their ſettlements and plantations. In thoſe branches of buſineſs which cannot be tranſacted without gold and ſilver money, it appears, that they can always find the neceſſary quantity of thoſe metals, and if they frequently do not find it, their failure is generally the effect, not of their neceſſary poverty, but of their unneceſſary and exceſſive enterprize. It is not becauſe they are poor that their payments are irregular and uncertain; but becauſe they are too eager to become exceſſively rich. Though all that part of the produce of the colony taxes, which was over and above what was neceſſary for defraying the expenſe of their own civil and military eſtabliſhments were to be remitted to Great Britain in gold and ſilver, the colonies have abundantly wherewithal to purchaſe the requiſite quantity of thoſe metals. They would in this caſe be obliged, indeed, to exchange a part of their ſurplus produce, with which they now purchaſe active and productive ſtock, for dead ſtock. In tranſacting their domeſtic buſineſs they would be obliged to employ a coſtly inſtead of a cheap inſtrument of commerce; and the expenſe of purchaſing this coſtly inſtrument might damp ſomewhat the vivacity and ardor of their exceſſive enterprize in the improvement of land. It might not, however, be neceſſary to remit any part of the American revenue in gold

and ſilver. It might be remitted in bills drawn upon and accepted by particular merchants or companies in Great Britain, to whom a part of the ſurplus produce of America had been conſigned, who would pay into the treaſury the American revenue in money, after having themſelves received the value of it in goods; and the whole buſineſs might frequently be tranſacted without exporting a ſingle ounce of gold or ſilver from America.

It is not contrary to juſtice that both Ireland and America ſhould contribute towards the diſcharge of the public debt of Great Britain. That debt has been contracted in the ſupport of the government eſtabliſhed by the Revolution, a government to which the proteſtants of Ireland owe, not only the whole authority which they at preſent enjoy in their own country, but every ſecurity which they poſſeſs for their liberty, their property, and their religion; a government to which ſeveral of the colonies of America owe their preſent charters, and conſequently their preſent conſtitution, and to which all the colonies of America owe the liberty, ſecurity, and property which they have ever ſince enjoyed. That public debt has been contracted in the defence, not of Great Britain alone, but of all the different provinces of the empire; the immenſe debt contracted in the late war in particular, and a great part of that contracted in the war before, were both properly contracted in defence of America.

By

By a union with Great Britain, Ireland would gain, beſides the freedom of trade, other advantages much more important, and which would much more than compenſate any increaſe of taxes that might accompany that union. By the union with England, the middling and inferior ranks of people in Scotland gained a compleat deliverance from the power of an ariſtocracy which had always before oppreſſed them. By a union with Great Britain, the greater part of the people of all ranks in Ireland would gain an equally compleat deliverance from a much more oppreſſive ariſtocracy; an ariſtocracy not founded, like that of Scotland in the natural and reſpectable diſtinctions of birth and fortune; but in the moſt odious of all diſtinctions, thoſe of religious and political prejudices; diſtinctions which, more than any other, animate both the inſolence of the oppreſſors and the hatred and indignation of the oppreſſed, and which commonly render the inhabitants of the ſame country more hoſtile to one another than thoſe of different countries ever are. Without a union with Great Britain, the inhabitants of Ireland are not likely for many ages to conſider themſelves as one people.

No oppreſſive ariſtocracy has ever prevailed in the colonies. Even they, however, would, in point of happineſs and tranquillity, gain conſiderably by a union with Great Britain. It would, at leaſt, deliver them from thoſe rancorous and virulent factions which are inſeparable from

ſmall democracies, and which have ſo frequently divided the affections of their people, and diſturbed the tranquillity of their governments, in their form ſo nearly democratical. In the caſe of a total ſeparation from Great Britain, which, unleſs prevented by a union of this kind, ſeems very likely to take place, thoſe factions would be ten times more virulent than ever. Before the commencement of the preſent diſturbances, the coercive power of the mother-country had always been able to reſtrain thoſe factions from breaking out into any thing worſe than groſs brutality and inſult. If that coercive power were entirely taken away, they would probably ſoon break out into open violence and bloodſhed. In all great countries which are united under one uniform government, the ſpirit of party commonly prevails leſs in the remote provinces than in the centre of the empire. The diſtance of thoſe provinces from the capital, from the principal ſeat of the great ſcramble of faction and ambition, makes them enter leſs into the views of any of the contending parties, and renders them more indifferent and impartial ſpectators of the conduct of all. The ſpirit of party prevails leſs in Scotland than in England. In the caſe of a union it would probably prevail leſs in Ireland than in Scotland, and the colonies would probably ſoon enjoy a degree of concord and unanimity at preſent unknown in any part of the Britiſh empire. Both Ireland and the colonies, indeed, would be ſubjected to heavier taxes than any which they at preſent pay. In

confequence, however, of a diligent and faithful application of the public revenue towards the difcharge of the national debt, the greater part of thofe taxes might not be of long continuance, and the public revenue of Great Britain might foon be reduced to what was neceffary for maintaining a moderate peace eftablifhment.

The territorial acquifitions of the Eaft India company, the undoubted right of the crown, that is, of the ftate and people of Great Britain, might be rendered another fource of revenue more abundant, perhaps, than all thofe already mentioned. Thofe countries are reprefented as more fertile, more extenfive; and, in proportion to their extent, much richer and more populous than Great Britain. In order to draw a great revenue from them, it would not probably be neceffary, to introduce any new fyftem of taxation into countries which are already fufficiently and more than fufficiently taxed. It might perhaps, be more proper to lighten, than to aggravate, the burden of thofe unfortunate countries, and to endeavour to draw a revenue from them, not by impofing new taxes, but by preventing the embezzlement and mifapplication of the greater part of thofe which they already pay.

If it fhould be found impracticable for Great Britain to draw any confiderable augmentation of revenue from any of the refources above mentioned; the only refource which can remain to her is a diminution of her expenfe. In the mode of collecting, and in that of expending the public

revenue, though in both there may be ſtill room for improvement, Great Britain ſeems to be at leaſt as œconomical as any of her neighbours. The military eſtabliſhment which ſhe maintains for her own defence in time of peace, is more moderate than that of any European ſtate which can pretend to rival her either in wealth or in power. None of thoſe articles, therefore, ſeem to admit of any conſiderable reduction of expenſe. The expenſe of the peace eſtabliſhment of the colonies was, before the commencement of the preſent diſturbances, very conſiderable, and is an expenſe which may, and if no revenue can be drawn from them, ought certainly to be ſaved altogether. This conſtant expenſe in time of peace, though very great, is inſignificant in compariſon with what the defence of the colonies has coſt us in time of war. The laſt war, which was undertaken altogether on account of the colonies, coſt Great Britain, it has already been obſerved, upwards of ninety millions. The Spaniſh war of 1739 was principally undertaken on their account, in which, and in the French war that was the conſequence of it, Great Britain ſpent upwards of forty millions, a great part of which ought juſtly to be charged to the colonies. In thoſe two wars the colonies coſt Great Britain much more than double the ſum which the national debt amounted to before the commencement of the firſt of them. Had it not been for thoſe wars that debt might, and probably would by this time, have been compleatly paid; and had it not been for the

colonies, the former of thofe wars might not, and the latter certainly would not have been undertaken. It was becaufe the colonies were fuppofed to be provinces of the Britifh empire, that this expenfe was laid out upon them. But countries which contribute neither revenue nor military force towards the fupport of the empire, cannot be confidered as provinces. They may perhaps be confidered as appendages, as a fort of fplendid and fhowy equipage of the empire. But if the empire can no longer fupport the expenfe of keeping up this equipage, it ought certainly to lay it down; and if it cannot raife its revenue in proportion to its expenfe, it ought, at leaft, to accommodate its expenfe to its revenue. If the colonies, notwithftanding their refufal to fubmit to Britifh taxes, are ftill to be confidered as provinces of the Britifh empire, their defence in fome future war may coft Great Britain as great an expenfe as it ever has done in any former war. The rulers of Great Britain have, for more than a century paft, amufed the people with the imagination that they poffeffed a great empire on the weft fide of the Atlantic. This empire, however, has hitherto exifted in imagination only. It has hitherto been, not an empire, but the project of an empire; not a gold mine, but the project of a gold mine; a project which has coft, which continues to coft, and which, if purfued in the fame way as it has been hitherto, is likely to coft, immenfe expenfe, without being likely to bring any profit; for the effects of the monopoly of the

colony trade, it has been ſhown, are, to the great body of the people, mere loſs inſtead of profit. It is ſurely now time that our rulers ſhould either realize this golden dream, in which they have been indulging themſelves, perhaps, as well as the people; or, that they ſhould awake from it themſelves, and endeavour to awaken the people. If the project cannot be compleated, it ought to be given up. If any of the provinces of the Britiſh empire cannot be made to contribute towards the ſupport of the whole empire, it is ſurely time that Great Britain ſhould free herſelf from the expenſe of defending thoſe provinces in time of war, and of ſupporting any part of their civil or military eſtabliſhments in time of peace, and endeavour to accommodate her future views and deſigns to the real mediocrity of her circumſtances.

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